

# Housing Tax Credit Manual

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1/1/2026



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# 1. Schedule for 2026

Below is the schedule for the 2026 Housing Tax Credit cycle. These dates are approximate and may be subject to change. **All deadlines are 12 p.m. ET.**

<b>Date</b>	<b>Description</b>
January 15, 2026	4% Application Deadline (Round 1)
January 26, 2026	LNI Deadline (9%)
March 12, 2026	9% Competitive and Accessible Supportive Housing (ASH) Application Deadline
March 19, 2026	9% Competitive and Accessible Supportive Housing (ASH) Applications Posted to the Website
<b>March 31, 2026</b>	<b>HOTC LNI Deadline (HOTC-4% Round 2)</b>
<b>April 23, 2026</b>	<b>Previous Year 9% Recorded EUA and Site Control Due</b>
<b>April 24, 2026</b>	<b>2023 9% 8609 Applications Due</b>
May 14, 2026	Preliminary Rankings Announced /Begin Comment Period
May 15, 2026	<b>HOTC-4% Application Deadline (Round 2)</b> LNI Deadline ( <b>4% Round 3</b> )
May 21, 2026	End Comment Period, Begin Rebuttal
May 28, 2026	End Rebuttal
June 11, 2026	Post Final 9% Rankings
June 24, 2026	Review Final Rankings with Virginia Housing Board of Commissioners
July 1, 2026	4% Application Deadline ( <b>Round 3</b> )
Mid-July, 2026	Virginia Housing mails Reservation documents including Agreement, Contract to Enforce Representations, Extended Use Agreement, and Gross Floor Rent Election
August 17, 2026	LNI Deadline ( <b>4% Round 4</b> )
September 1-30, 2026	Time frame to submit credit refresh requests
September 24, 2026	Allocation Applications Due
October 1, 2026	4% Application Deadline ( <b>Round 4</b> )
Mid-October, 2026	10% Tests Due (30 days prior to 12-month deadline)
Mid-November, 2026	Finalize Allocations and send Carryforward Agreements
<b>December 1, 2026</b>	<b>LNI Deadline (4% Round 1, 2027)</b>

Updated April 7, 2026

## 2. Ranking and Scoring

The QAP contains the “official” scoring criteria for Credit Applications and outlines the minimum and maximum number of points allowed to each development. This manual serves as a guide to further clarify the scoring criteria and contains mandatory forms required to receive an Allocation of Credits. **Prior to submitting an application, applicants are expected to have carefully and thoroughly read the QAP, this Manual and the tax credit information available [on the Website](#).**

Virginia Housing utilizes scoring criteria to maintain objectivity throughout the Credit Reservation and Allocation process. Accordingly, TCA Staff endeavor to uniformly identify and address all errors, omissions, and requests within each application; however, failure on the part of Virginia Housing to identify an error or omission made by an applicant shall not be deemed a waiver of Virginia Housing’s right to enforce program requirements in accordance with the QAP. Any action or inaction taken, and any determination or interpretation made by, Virginia Housing with respect to an application or a Reservation or Allocation of Credits shall be limited to that specific application, Reservation, or Allocation only and shall not form binding precedent or otherwise impact Virginia Housing’s future administration of its Credit programs.

Applications are ranked according to their scores in the pools within which they compete. Reservations will be made to developments in accordance with Virginia Housing’s ranking criteria, so long as Credits are available within the given pools. **Developments seeking more Credits than are available within the given pool will be disqualified.**

## 3. General Program Information

### 3.1 Virginia Housing Subsidy Layering Information

HUD granted Virginia Housing, authority to conduct Subsidy Layering Reviews (SLR) for Low-Income Housing Tax Credit (LIHTC) new construction and rehab properties receiving Project-Based Voucher (PBV) awards from a Virginia Public Housing Authority (PHA). To request an SLR from Virginia Housing, the PHA must submit to Virginia Housing a cover letter on PHA letterhead to [SLR@VirginiaHousing.com](mailto:SLR@VirginiaHousing.com). The request must include the following information:

1. PHA Number
2. PHA Contact Person and Email
3. Owner Contact Person and Email
4. Project Name
5. Project Address

Once Virginia Housing receives a request for the SLR, the PHA will be provided with access to a Procorem folder to submit the required documentation. Once all documentation is uploaded, contact TCA Staff via email to confirm the submission is ready for review.

Upon completion of the SLR, a one-time fee of \$15,000 will be invoiced and must be paid prior to the issuance of the SLR Certification Letter. This certification is only applicable to the necessary SLR, and the Development still must comply with any other HUD and/or local requirements prior to execution of their HAP contract.

To ensure timely completion of your SLR, the initial request must be made at least six weeks prior to expected completion, and all documentation must be received at least four weeks prior to expected completion.

## 4. Pools and Percentage of Available Credits

Given the diverse housing needs in Virginia, Virginia Housing divides the available annual Credit amount into pools in which Credit Applications submitted by developers will compete. A description of each pool, as well as its respective percentage of available Credits follows.

For deals competing in the Accessible Supportive Housing (ASH), Nonprofit, New Construction, and Local Housing Authority (LHA) pools, points related to being located in an area of increasing or decreasing rent burdened populations will be assigned based on the geographic pool to which such development would be assigned if it did not compete in this pool.

Developments may be moved from the nonprofit or new construction pool to its or their appropriate geographic pool to more fully or fully utilize the total amount of Credits made available therein during such round.

### 4.1 Nonprofit Pool

The annual credit percentage allocated to this pool is 15%. Each new construction or adaptive re-use development that is not funded in the Nonprofit Pool will compete in the New Construction pool, if eligible. All other developments not funded in this pool will compete in the applicable geographic pool. Individual credit requests may not exceed \$950,000.

<b>To participate in the Nonprofit Pool, the nonprofit entity must:</b>	
4.1.1	Be authorized to do business in Virginia.
4.1.2	Be substantially based or active in the state of Virginia.
4.1.3	Materially participate in the development and operation of the Development throughout the Compliance Period. (i.e., regular, continuous and substantial involvement)
4.1.4	Own, either directly or through a partnership or limited liability company owned entirely by one or more nonprofit entities, 100% of the general partnership or managing member interest.
4.1.5	Not be affiliated with or controlled by a for-profit organization.
4.1.6	Not have been formed for the primary purpose of competition in the Nonprofit Pool.
4.1.7	Not have any staff member, officer or member of the board of directors materially participate, directly or indirectly, in the ownership or management of the Development as a for-profit entity.

## 4. Pools and Percentage of Available Credits

### 4.2 Accessible Supportive Housing Pool

Credits for this pool will be reserved from the following year's allocation and will not exceed 10% of the current year's per capita credit amount unless authorized by Virginia Housing's Board of Commissioners. These Credits are only available for non-elderly developments.

	<b>The minimum requirements to qualify for Credits in this Pool are as follows:</b>
4.2.1	At least 15% of the units will serve people with disabilities.
4.2.2	At least 15% of the units will conform to HUD regulations interpreting the fully, permanently accessible unit requirements of Section 504 of the Rehabilitation Act as referenced in the requirements set forth in the Uniform Federal Accessibility Standards "UFAS."
4.2.3	The Development will provide rent subsidies in order to ensure occupancy by extremely low-income persons for 15% of the units. Subsidies may apply to any units, not only those built to satisfy Section 504. For purposes of this Pool, "extremely low income" mean households with gross incomes no greater than 30% of the AMGI paying no more than rent calculated at the 30% level. Binding documentation of rental assistance must be submitted as part of the Application.
4.2.4	The units will be actively marketed to households including at least one person with a disability in accordance with a plan submitted as part of the Application and approved by the Executive Director. The Applicant must also submit the fully executed Virginia Housing Permanent Supportive Housing certification.
4.2.5	The developer must have a demonstrated capacity to develop supportive housing as evidenced by one of the three available CORES certifications or other certification as approved by Virginia Housing. If seeking alternative certification, this must be submitted to the tax credit department at least 30 days prior to the Application deadline for review and approval.
4.2.6	Evidence of prior services funding contracts, as well as a services budget for the first 5 years of services.
4.2.7	Evidence of dedicated services staff hired by an entity in the ownership of the deal. The dedicated service staff budget should be submitted as a separate document behind the Supportive Housing tab.

## 4. Pools and Percentage of Available Credits

### 4.3 Local Housing Authority (LHA) Pool

The annual credit percentage allocated to this pool is 15%. Developments must compete in this pool if:

1. The Development is sponsored by a local housing authority or an industrial development authority, as sole GP or MM (either directly or through a wholly owned subsidiary); OR
  2. The LHA is the landlord or seller of the land to the Applicant, in the jurisdiction of the local housing authority or industrial development authority and
    - a. The greater of 5 units or 10% of the units (or more) have project based subsidies provided by the local housing authority; OR
    - b. The LHA is a Principal in the Applicant (the landlord or seller being the grantee of a right of first refusal or purchase option, with no ownership interest in the Applicant, shall not make the landlord or seller a Principal in the Applicant)
- (i) Each development competing in this pool will be scored according to the rent burdened population characteristics of the geographic pool to which such development would be assigned if it did not compete in this pool. Developments not funded in this pool will move to the At-Large pools.

## 4. Pools and Percentage of Available Credits

### 4.4 Preservation Pool

Credits for this pool will be reserved from the following year's allocation and will not exceed 10% of the current year's per capita credit amount unless authorized by Virginia Housing's Board of Commissioners.

### 4.5 New Construction Pool

The annual credit percentage allocated to this pool is 15% of the following year's annual credit authority. Each new construction or adaptive re-use development (including excess nonprofit developments) which is located within one of the jurisdictions listed below will compete in this pool. Each development not funded in this pool will move to its applicable geographic pool.

New Construction Pool	
Alexandria City	Loudoun County
Arlington County	Manassas City
Fairfax City	Manassas Park City
Fairfax County	Prince William County
Falls Church City	

## 4. Pools and Percentage of Available Credits

### 4.6 Northern Virginia/Planning District 8 (Inner Washington MSA) Pool – 18.02%

Northern Virginia/Planning District 8 (Inner Washington MSA)	
Alexandria City	Loudoun County
Arlington County	Manassas City
Fairfax City	Manassas Park City
Fairfax County	Prince William County
Falls Church City	

### 4.7 Northwest/North Central Virginia Area Pool – 9.20%

Northwest/North Central Virginia Area	
Albemarle County	Nelson County
Augusta County	Orange County
Charlottesville City	Page County
Clarke County	Rappahannock County
Culpeper County	Rockingham County
Fauquier County	Shenandoah County
Fluvanna County	Spotsylvania County
Frederick County	Stafford County
Fredericksburg City	Staunton City
Greene County	Warren County
Harrisonburg City	Waynesboro City
King George County	Winchester City
Madison County	

## 4. Pools and Percentage of Available Credits

### 4.8 Richmond MSA Pool – 11.63%

Richmond MSA	
Amelia County	Hopewell City
Caroline County	King & Queen County
Charles City County	King William County
Chesterfield County	Louisa County
Colonial Heights City	New Kent County
Cumberland County	Petersburg City
Dinwiddie County	Powhatan County
Goochland County	Prince George County
Hanover County	Richmond City
Henrico County	Sussex County

## 4. Pools and Percentage of Available Credits

### 4.9 Tidewater MSA Pool – 17%

Tidewater MSA	
Chesapeake City	Poquoson City
Gloucester County	Portsmouth City
Hampton City	Suffolk City
Isle of Wight County	Surry County
James City County	Virginia Beach City
Mathews County	Williamsburg City
Newport News City	York County
Norfolk City	

### 4.10 Balance of State Pool – 14.15%

Balance of State (Remaining Geographic Areas)	
Accomack County	Covington City
Alleghany County	Craig County
Amherst County	Danville City
Appomattox County	Dickenson County
Bath County	Emporia City
Bedford City	Essex County
Bedford County	Floyd County
Bland County	Franklin City
Botetourt County	Franklin County
Bristol City	Galax City
Brunswick County	Giles County
Buchanan County	Grayson County
Buckingham County	Greensville County
Buena Vista City	Halifax County
Campbell County	Henry County
Carroll County	Highland County

## 4. Pools and Percentage of Available Credits

Balance of State (Remaining Geographic Areas)	
Charlotte County	Lancaster County
Lee County	Radford City
Lexington City	Richmond County
Lunenburg County	Roanoke City
Lynchburg City	Roanoke County
Martinsville City	Rockbridge County
Mecklenburg County	Russell County
Middlesex County	Salem City
Montgomery County	Scott County
Northampton County	Smyth County
Northumberland County	Southampton County
Norton City	Tazewell County
Nottoway County	Washington County
Patrick County	Westmoreland County
Pittsylvania County	Wise County
Prince Edward County	Wythe County
Pulaski County	

### 4.11 At-Large Pool

The At-Large Pool has been created for all applications not ranked high enough for initial funding in the geographic pools. The At-Large Pool is separated into two tiers.

**Tier 1** consists of the next eligible developments, from geographic and LHA pools, that could not be fully funded with the remaining Credits in those pools. It is these developments, in rank order, that can be fully funded, that will receive Credits in Tier 1.

**Tier 2** consists of all remaining developments ranking above threshold.

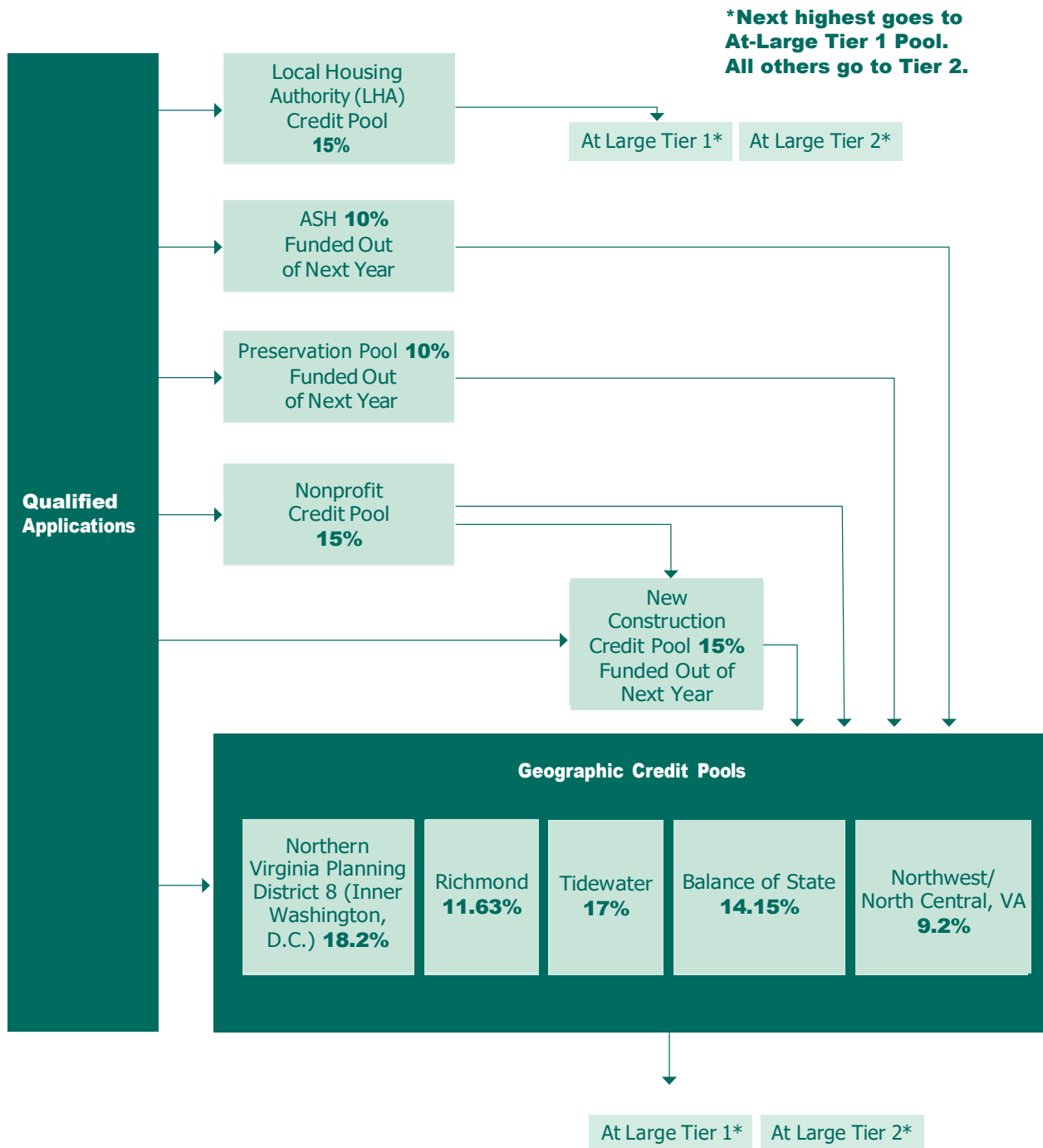
## 4. Pools and Percentage of Available Credits

### 4.12 Pre-Allocated Credits

Credits pre-allocated to developments will not change Total Credit Authority in the geographic pools in which the developments are located. Deals competing in the New Construction Pool but funded in a different geographic pool or At-Large pool are not guaranteed a future allocation of Credits.

All determinations for deals receiving a pre-allocation of Credits are at the discretion of the Executive Director.

#### A. Rules of Ranking



## 4. Pools and Percentage of Available Credits

### B. 2026 Cost Limits

<b>Cost Limits</b>	<b>New Construction</b>	<b>Rehab</b>
Per Square Foot	\$589	\$417
Per Unit	\$589,015	\$504,522

## 5. Minimum Program Requirements

### 5.1 Minimum Program Requirements

The following are minimum requirements of the Federal Housing Credit program. Failure to comply with any of the following minimum requirements may result in a recapture of Credits.

Minimum Requirement	
5.1.1	A minimum of 20% of the units must be occupied by households with incomes at or below 50% of the Area Median Gross Income (AMGI), as adjusted for family size; OR, a minimum of 40% of the units must be occupied by households, with incomes at or below 60% of the AMGI, adjusted for family size; OR, under the Average Income Test, forty percent (40%) or more (25% or more in the case of a project described in Section 142(d)(6)) of the residential units in the project must be both rent restricted and occupied by individuals whose income does not exceed the imputed income limitation designated by the taxpayer with respect to the respective unit. The average of the imputed income limitations designated must not be more than 60% of the area median gross income. The designated imputed income limitation of a unit can only be 20%, 30%, 40%, 50%, 60%, 70%, or 80% of the Area Median Gross Income and must be as designated with Virginia Housing in writing. The Development must comply with these income restrictions within 12 months of the placed-in-service date (slight variations apply when a development has more than one building). This is commonly referred to as the “20-50”, “40-60”, or “Average Income” test. Developments financed with tax- exempt bonds selecting the Average Income test must designate and maintain a minimum of 40% of the total units at or below 60% AMI throughout the extended use agreement.
5.1.2	Owner may not require an annual minimum income requirement that exceeds the greater of \$3,600 or 2.5 times the portion of rent to be paid by tenants receiving rental assistance.
5.1.3	The gross rent charged for a low-income unit may not exceed 30% of the imputed income limit applicable to such unit size.
5.1.4	If the household pays any utilities (excluding telephone, cable television or internet), an appropriate utility allowance must be subtracted from the gross rent limit to determine the maximum net rent chargeable. These amounts must be confirmed by calculating maximum rents individually.
5.1.5	Developments must comply with federal Housing Credit program requirements for a minimum of 30 years, beginning with the taxable year in which the respective development is Placed in Service or, at the election of the taxpayer, the succeeding taxable year.
5.1.6	Developments must comply with the MDCR.
5.1.7	In Virginia, rehab developments must incur a minimum of \$15,000 of contractor hard costs, on average, per unit in order to qualify for Credits.

## 5. Minimum Program Requirements

### Minimum Requirement

- 5.1.8 In Virginia, developments financed with tax-exempt bonds must incur a minimum of \$10,000 of contractor hard costs, on average, per unit in order to qualify for 4% Credits.
- 5.1.9 The Management company that will be used for the Development must be a Virginia Housing Certified Property Manager by time of 8609 issuance.
- 5.1.10 Unless prohibited by an applicable federal subsidy program, each Applicant shall commit to provide a leasing preference to individuals (i) in a target population identified in a memorandum of understanding between Virginia Housing and one or more participating agencies of the Commonwealth, (ii) having a voucher or other binding (a locality resolution may be acceptable) commitment for rental assistance from the Commonwealth, and (iii) referred to the Development by a referring agent approved by Virginia Housing. The leasing preference is not required to be applied to more than ten percent (10%) of the units in the Development at any given time. The Applicant may not impose tenant selection criteria or leasing terms with respect to individuals receiving this preference that are more restrictive than the Applicant's tenant selection criteria or leasing terms applicable to prospective tenants in the Development that do not receive this preference, the eligibility criteria for the rental assistance from the Commonwealth, or any eligibility criteria contained in a memorandum of understanding between Virginia Housing and one or more participating agencies of the Commonwealth. See Appendix E, and Appendix GG for additional details.
- 5.1.11 Applicants receiving Credits must waive their right to pursue a Qualified Contract ("QC"). Any Principals participating in a deal that is currently pursuing a QC in Virginia are not eligible for an Allocation of Credits (9% or 4%). Any Principals participating in a deal that is currently pursuing a planned foreclosure in Virginia are ineligible for an Allocation of Credits (9% or 4%).

## 5. Minimum Program Requirements

### Minimum Requirement

5.1.12 All developments must meet a baseline energy performance requirement:

- New Construction – Energy Star Certification;
- Rehab – 30% performance increase over existing based on HERS Index, achieving a HERS Index of 110 or lower; or evidence of a HERS index of 80 or lower;
- Adaptive reuse – Must evidence a HERS index of 95 or lower.

All requirements must be verified by a third party, independent, non-affiliated certified RESNET rater; rater must be certified by a provider found on the Virginia Housing Certified Provider list. All Raters must submit to the Owner, to be included in the Application, a signed Virginia Housing RESNET Rater form and a HERS report from an energy rating software program listed on the National Registry of Accredited Rating Software Programs. All raters certifying a property for Virginia Housing's Credit program must be authorized to conduct business in Virginia and have completed 500+ ratings. See Section 6.6.8 for additional information on this requirement. At Reservation, model reports for at least one of each unit type should be provided. A summary page with weighted averages may also be provided to show a whole building score. If a Rehab, existing baseline HERS indices should be provided as well.

5.1.13 Each Applicant shall commit in the Application to provide free Wi-Fi access in the community room of its Development, if such a room is provided, and such access shall be restricted to resident only usage.

5.1.14 Each Applicant shall commit in its Application to provide a disclosure, to be acknowledged by tenant, of the availability of renter education from Virginia Housing. Applicant must submit a sample disclosure with the Application.

## 5. Minimum Program Requirements

### 5.2 Compliance Monitoring

The Omnibus Budget Reconciliation Act of 1990 amended the IRC to require that state tax credit allocating agencies provide a procedure for monitoring developments for noncompliance with the requirements of the Program under IRC §42(m)(1)(B) and for notifying the Internal Revenue Service of such non-compliance. To offset the costs of compliance monitoring, Virginia Housing charges a reasonable annual monitoring fee, as allowed by the IRC. Virginia Housing is required by the IRC to monitor developments for compliance with the program requirements and report all non-compliance to the IRS using Form 8823.

The QAP mandates that all procedures and requirements in the IRC must be complied with and satisfied. The QAP further recites that federal law requires Virginia Housing to monitor developments receiving Credits for compliance with the requirements of § 42 of the IRC. The Authority will review each certification set forth in subsection C of this section for compliance with the requirements of § 42 of the IRC.

The initial on-site inspection of buildings and units in the Development, and compliance monitoring review of project records and tenant certification files will be completed by the end of the second calendar year following the year the last building in the Development is Placed in Service and at least once every three years thereafter. Units and tenant files will be selected as required under the program requirements. The Authority will provide a reasonable notice of inspection and compliance monitoring review of not more than 15 days.

For more complete information regarding mandatory compliance monitoring please reference [VirginiaHousing.com/Partners/Rental-Housing/Compliance-Monitoring](https://www.virginiahousing.com/Partners/Rental-Housing/Compliance-Monitoring).

## 6. Housing Credit Application Information

### 6.1 Reservation Application

The Credit Application is provided as a Microsoft Excel workbook available for download on the Website and should be used for both 9% and 4% credit submissions; however, note that mixed construction projects (developments containing both new construction and rehab scope) utilize a separate Credit Application that must be requested from [TaxCreditApps@VirginiaHousing.com](mailto:TaxCreditApps@VirginiaHousing.com).

Due to embedded functionality within the Credit Application, applicants should not utilize copy and paste within the Credit Application. **See the Mandatory Items Section for requirements applicants must submit as part of the Credit Application.**

### 6.2 Reservation Application for 4% Credits Combined with Tax-Exempt Bonds

Developments funded with tax-exempt bonds may only utilize 4% Credits. Bond financing must exceed 25% of the Development's aggregate basis plus land. The maximum allowable Credits are calculated on 100% of the qualified basis of the low-income units and will be limited to the minimum amount of Credits necessary to make the Development financially feasible.

If available at the time of Application, please include a bond inducement resolution with the Credit Application submission.

Applicants who have not previously submitted a successful 4% Application in Virginia must meet with TCA Staff prior to submitting a Credit Application as a condition of Application acceptance.

**If the reservation fee for a 4% Tax-Exempt development is not paid within the same calendar year as the Application, the deal will be terminated.**

# 6. Housing Credit Application Information

## 6.3 Reservation Specifications

The following specifications must be incorporated into both the 9% and 4% Application for Federal Housing Credits. Documentation must be submitted with the Application to support any variations from these specifications.

	Specification	Description
6.3.1	Revenue	Within the Unit Mix grid, add a line item for each different unit floor plan configuration and rent target for the Development. Rents should not include utility allowance.
6.3.2	Vacancy	Use either 7% of gross potential income or market vacancies. If the Development includes both market and low-income units, use 7% of gross potential income or market vacancies for both. Documentation must be submitted to support market vacancy if less than 7%.
6.3.3	Operating Expenses	Per Unit Operating Expenses must be at least \$4,500 per unit excluding replacement reserves and assuming the tenant is paying own utilities. The pro forma operating expenses increase is greater than or equal to 3% for purposes of calculating Projections for Financial Feasibility.
6.3.4	Replacement Reserves	Minimum replacement reserves should equal \$250 per unit for new construction and elderly developments and \$300 per unit for all other developments.
6.3.5	Pro Forma Rent Increases	The pro forma rent increase is less than or equal to 2% per year for purposes of calculating Projections for Financial Feasibility.
6.3.6	Debt Coverage Ratio	A minimum of 1.15 in year one is preferred.
6.3.7	Cost Limits	Total development costs per square foot and per unit will be compared to the applicable cost limits for the allocation year. The Development only needs to meet one of the set cost limits, either per unit or per square foot. Costs associated with parking structures, acquisition, renewable electric energy systems and supportive service reserves may be removed from the total development calculation for purposes of meeting the cost limit.

## 6. Housing Credit Application Information

6.3.8	Builder's Overhead, Profit and General Requirements	In total, the combined amount included in basis (including any change orders) must not exceed 14% of total structures and land as shown in the application.
6.3.9	Operating Reserve	Use a minimum of 6 months of operating expenses and debt service.
6.3.10	Tax Credit Equity Factor	This generally does not include syndication, legal, accounting, overhead, sales commissions and/or required reserves. The Applicant will determine the amount appropriate for the Development.
6.3.11	Deferred Developer Fee Loan	If 50% or more developer fee is deferred, the Application must include evidence that the property can support the repayment within 15 years based on the cash flow analysis provided in the Application.

## 6. Housing Credit Application Information

### 6.4 Developer Fee Calculation

The maximum developer's fee will be the lesser of the following calculations:

Description	
6.4.1	<p><u>Acquisition</u>: Less than or equal to 10% of the building's acquisition cost, excluding the developer's fee. No developer's fee will be allowed on the acquisition basis in cases where there is an identity of interest between the purchaser and seller unless a waiver is obtained from Virginia Housing prior to Application submission. In addition, the building acquisition portion of the developer fee for all Rural Development developments will not exceed 8%, PLUS</p> <p><u>Rehab</u>: Less than or equal to 25% of the building's eligible basis arising from the rehab, excluding the developer's fee, OR</p> <p><u>New Construction</u>: Less than or equal to 20% of the building's eligible basis, excluding the developer's fee.</p>
6.4.2	Less than or equal to 15% of the total development costs.
6.4.3	For developers with a related entity contractor, the maximum developer's fee shall not exceed the total development costs, less the contractor's overhead, profit and any incentive payments.
6.4.4	For developers with a related architectural entity, the maximum developer's fee shall not exceed the total development costs, less the architectural and engineering fees.
6.4.5	For developers with both a related architectural entity and a related contractor entity, the maximum developer's fee shall not exceed the total development costs, less the total development costs exclusive of the developer fee, less the contractor's overhead, profit, any incentive payments and all architectural and engineering fees.
6.4.6	A cumulating declining scale, as follows: <ul style="list-style-type: none"><li>• 15% if less than \$1 million total development costs, plus</li><li>• 12% if between \$1 million and \$10 million total development costs, plus 8% if greater than \$10 million total development costs.</li></ul>

Notwithstanding the existing calculation of developer's fee, (i) no more than \$3 million of developer's fee may be included in the eligible basis of 9% deals, (ii) no more than \$3 million developer's fee may be included in the eligible basis of developments seeking 4% Credits, unless at least 30% of said developer's fee is deferred, (iii) no developer's fee may exceed \$5 million, and (iv) no developer's fee may exceed 15% of the Development's total development cost.

The fee amount cannot increase after Reservation without prior approval.

## 6. Housing Credit Application Information

### 6.5 Reservation Criteria

The following summary is an attempt to provide a more complete explanation of Application criteria, answer frequently asked questions, supply expanded details related to Virginia Housing’s intent in requesting documentation, as well as to detail the methods of calculation.

This summary should not be considered a replacement for, but rather a supplement to the QAP, which in the case of discrepancies will be the overriding document.

	Description
6.5.1	Increase to Eligible Basis is allowed under the following circumstances:
6.5.1.a	The Development is located in a HUD-designated qualified census tract (“QCT”) or difficult to develop area (“DDA”). (30% increase available to both 9% and 4% deals)
6.5.1.b	The Development includes Permanent Supportive Housing (“PSH”). PSH is housing consisting of units designated for individuals or families that are homeless, at-risk of homelessness or who have multiple barriers to independent living. (30% increase only available to 9% deals)
6.5.1.c	If revitalization points are awarded. (30% increase only available to 9% deals)
6.5.1.d	If the Development obtains an additional green certification over the baseline requirement. (10% increase only available to 9% deals)

Basis boosts may be subject to removal at 8609 if feasibility determines they are not needed.

**Note: The maximum increase in eligible basis any development can receive is 30%. Tax-Exempt Bond deals with 4% Credits will only qualify for a 30% increase in basis if the Development is located in a HUD designated QCT or DDA.**

Criteria	Description
6.5.2	Determining Total # of Rental Units in Development Exclude units from rental unit count that will not be rented to qualified households (e.g. manager’s unit).
6.5.3	Minimum Design and Construction Requirements (“MDCR”) <p><b>Note: Each deal receiving a Reservation will be subject to a pre-construction meeting where these will be reviewed with the development team.</b></p>

## 6. Housing Credit Application Information

**All 4% applications will be subject to an A&E review. See Section 6.6.14, A&E Review Process, A&E Review Workflow, and A&E Review Memo Template for additional information.**

### 6.5.4 Operating Budget

Revenue should be projected for the date the buildings are anticipated to be placed in service and using rents not greater than the current maximums. Use HAP rents where applicable.

## 6.6 Reservation Application Mandatory Items

The following are mandatory documents that must be submitted as part of the Application. Mandatory items that are not submitted with the Application or that need to be corrected may be assessed a penalty. Immediate correction of minor and immaterial defects affecting mandatory items (but not points items) will be allowed. Should the executive director choose to allow correction, Applicants will be given 48 hours from the time of notification to cure defects with their Application. If the executive director allows an Applicant to cure minor defects, that does not constitute approval or acceptance of the Application and is not an assurance that the Application, upon further review, will be deemed acceptable.

If the mandatory items are not submitted or corrected within the time frame specified in the penalty notification, the Application may be penalized or disqualified. Please refer to the Submission Checklist in the Credit Application for correct tab placement.

	<b>Mandatory Item</b>	<b>Description</b>
6.6.1	Electronic Copies of Application and Attachments (Procorem)	Submit via Procorem (Virginia Housing’s file sharing program) the completed Credit Application as an Excel workbook and a signed, completed copy of the Credit Application in .pdf format, using Virginia Housing tab dividers. (See Sec. 6.14 of this Manual)
6.6.2	Locality Notification Information form (online submission)	<p>Applicant must complete Virginia Housing’s online Locality Notification Information (“LNI”) form at least 45 days prior to Application. Slight discrepancies between the LNI and the Application will not result in penalties. Any person or entity submitting more than 5 LNIs must meet with TCA Staff prior to submitting. Please include the names and e-mail addresses for all parties in the LNI that need access to the Procorem folder.</p> <p><b>As a condition of Credit Application, for any development that either includes a Public Housing Authority in the ownership structure or will participate in a PHA conversion to project-based rental assistance program (e.g., RAD, etc.), the developer must arrange a meeting with TCA Staff at the time of LNI submission as a condition of Credit Application</b> to provide an overview of the project and to discuss deal timing, project structure, and MDCR requirements.</p>

## 6. Housing Credit Application Information

6.6.3	\$1,000 Application Fee	Must be paid via check or electronically to Virginia Housing prior to Application deadline. The process for submitting payments is in Section 11.2. An application fee can be used for one resubmission in the same calendar year, otherwise a new fee will be required with each new Application submission.
6.6.4	Organizational Chart	<p>Each Application must include an organizational chart showing each Principal (as defined within the QAP) of the GP/MM of the Owner, except as follows:</p> <ul style="list-style-type: none"><li>• For Principals organized as a corporation (public or private), named Principals may be limited to the corporation itself, any officers directly responsible to the Board of Directors (or equivalent), and any stockholder holding a 25% or more interest in the corporation.</li><li>• For public housing authorities and nonprofit Principals, named Principals may be limited to the nonprofit/PHA and its executive director or CEO.</li><li>• For Principals organized as a limited liability company or limited partnership <i>with more than 25 individual members/partners</i>, named Principals may be limited to all officers and managing members/partners responsible for managing the affairs of the company, along with the name of any individual member/partner holding 25% or more interest in the company.</li><li>• For Principals organized as a trust, all trustees and any individuals possessing a 25% or more beneficial interest in the assets of the trust must be named as Principals.</li></ul>

## 6. Housing Credit Application Information

6.6.5	Virginia State Corporation Commission Certification (SCC) and Additional Organizational Documents	Applicant must provide in the Application a Certificate of Fact or Certificate of Good Standing from the Virginia State Corporation Commission ("SCC") evidencing Applicant's ability to lawfully conduct business in the Commonwealth, and Applicant must remain active and in good standing with the SCC throughout the review process. During its review of the Application, Virginia Housing reserves the right to request additional information and organizational documents related to any Principal of the Applicant (documents including, but not limited to partnership agreements, operating agreements, bylaws, etc.), regardless of whether such Principal is required above to be included within the organizational chart.
6.6.6	Principal's Previous Participation Certification (PPC)	Applicants must provide an executed PPC in the form provided within the Application, along with a draft of any Right of First Refusal in the form required by the PPC, as applicable.
6.6.7	Site Control Documentation	<p>To promote project readiness and bring affordable housing units to market as quickly as possible, Applications must include evidence showing that the Applicant maintains site control over all parcels within the Project at Application Submission.</p> <p>Acceptable forms of site control are limited solely to:</p> <ol style="list-style-type: none"><li>1. a deed evidencing Applicant's exclusive fee simple ownership of the site;</li><li>2. a ground lease agreement between the fee simple owner and the Applicant, which grants Applicant the right to lease the site for a term extending beyond the Extended Use Period outlined within the Application; and</li><li>3. the right to acquire or lease the site as described above and qualified below, pursuant to a binding, bona fide contract or option between the current fee simple owner and the Applicant.</li></ol> <p>Additional Site Control Requirements and Qualifications:</p> <ul style="list-style-type: none"><li>• Applications must include a copy of the most recent real estate tax assessment issued for each parcel within the Project.</li><li>• Site control in one of the acceptable forms listed above must be maintained by the Applicant itself – site control by a related party or Principal of the Applicant with the intent to subsequently transfer ownership to the Applicant is insufficient.</li><li>• An Applicant may evidence site control by demonstrating that it assumed a contract or option executed by a third party and that the assumption puts the Applicant in the same position as if the Applicant had originally contracted directly with the fee simple owner.</li></ul>

## 6. Housing Credit Application Information

- Applicant's right to acquire or lease the site may not be contingent upon matters or conditions outside of the discretion or control of the Applicant.
- Leases, contracts, and options provided to evidence site control must prohibit further marketing of the property by the seller/lessor.
- If the contract, option, or lease states that the price owed to the seller includes an assumption of outstanding debt, the Applicant must include documentation within the Application substantiating the value of the outstanding debt.
- Contracts/options to acquire a site with existing residential property may not require an empty building as a condition of purchase unless relocation assistance is provided to displaced households in accordance with Virginia Housing's Relocation Assistance Guidelines.
- For projects involving the acquisition and rehabilitation of developments funded by the U.S. Department of Agriculture's Rural Development program, site control documents that require approval by the seller's partners does not need to be approved by such partners if the GP of the seller executing the site control document provides (i) an attorney's opinion confirming that such GP has the authority to enter into the site control document and that such document is binding on the seller; or (ii) a letter from the existing Investor or Syndicator indicating a willingness to secure the necessary partner approvals upon the Reservation of Credits.

### 6.6.8 Third-Party RESNET Rater Certification

All requirements must be verified by a third party, independent, non-affiliated certified RESNET rater; rater must be certified by a provider found on the Virginia Housing Certified Provider list. All Raters must submit to the Owner, to be included in the Application, a signed Virginia Housing RESNET Rater form and a HERS report from an energy rating software program listed on the National Registry of Accredited Rating Software Programs.

**At Reservation, model reports for at least one of each unit type should be provided. A summary page with weighted averages may also be provided to show a whole building score. The RESNET Certification Form should reflect the final modeled weighted average HERS Index. If a Rehab, existing baseline HERS indices should be provided as well. RESNET Sampling Protocol and generally accepted modeling standards should be followed.** All raters certifying a property for Virginia's Housing Credit program must be authorized to conduct business in Virginia and have completed 500+ ratings.

## 6. Housing Credit Application Information

**New Construction:** Must become Energy Star Certified using appropriate program for development as defined annually by Energy Star - Reservation application will include the Virginia Housing RESNET Certification and applicable HERS report.

**Rehabilitation:** 30% performance increase over existing, based on HERS Index or, must evidence a HERS Index of 80 or lower- Reservation application will include the Virginia Housing RESNET Certification and applicable HERS report.

**Adaptive Reuse:** Must achieve a HERS Index of 95 or lower. Reservation application will include the Virginia Housing RESNET Certification and HERS report. 8609's will not be issued until a notarized final Virginia Housing RESNET Certification is received.

**Certified Provider List:** Virginia Housing recognizes all providers listed on the National Registry of Accredited Rating Providers. [Resnet.us/Professional/Programs/Search\\_Directory](https://resnet.us/Professional/Programs/Search_Directory)

**See the Website for required RESNET Rater Form.**

### 6.6.9 Attorney's Opinion (Virginia Housing form)

Each Application must include an executed legal opinion issued on the letterhead of the Applicant's legal counsel, using the appropriate Attorney's Opinion form available on the [Website](#).

1. The executed Opinion submitted as part of the Application must be accompanied by a blackline showing that no changes have been made to this form beyond those necessary to complete it (e.g. filling in blanks, selecting bracketed language as appropriate).
2. If circumstances unique to a particular Application require modification of this form, any such modification must be approved by Virginia Housing in writing within six months prior to the Application deadline. A copy of any such approval must be included with this executed Opinion as part of the Application.
3. **Be aware that there is a 9% version and a Tax-Exempt version.** Failure to utilize the correct form or to abide by the instructions above form may result in a point penalty or rejection of the Application.

### 6.6.10 Nonprofit Questionnaire (if Applicant/Developer or recipient of ROFR is a Nonprofit Organization)

**See [Website](#) for required Attorney's Opinion Form.**

If Applicant is eligible to compete in the Nonprofit Pool and/or receive points for nonprofit involvement, Applicant must submit the completed questionnaire and consulting agreements, if applicable.

**See [Website](#) for required form.**

## 6. Housing Credit Application Information

- 6.6.11      Appraisal (if Acquisition Credits are being requested)
- Appraisals are required to be submitted with the Reservation Application only when the Applicant is seeking acquisition Credits for acquisition-rehab and/or adaptive reuse developments.
- Virginia Housing will accept RD appraisals that include its requested values.
- The Applicant obtains appraisals independently. However, Virginia Housing reserves the right to order its own appraisal (at the Applicant's expense), if it has unresolved questions or concerns about the report. The associated fee will be communicated by Virginia Housing to the Applicant in writing.
- Regarding 9% Credit Applications, all questions and concerns regarding the appraisal must be resolved before preliminary rankings. As such, your Application could be disqualified if Virginia Housing has to order its own appraisal.
- Regarding 4% Credit Applications, all questions and concerns regarding the appraisal must be resolved before the 42m letter is issued.
- See [Website](#) for additional requirements.
- 6.6.12      Market Study
- Please reference Virginia Housing Market Study Guidelines available on the Website.** Approved market analysts are required to be a member of the National Council of Housing Market Analysts (NCHMA).

## 6. Housing Credit Application Information

### 6.6.13 Zoning Certification

The appropriate locality official or professional civil engineer registered in Virginia must certify proper zoning, without substantive modification and no earlier than three months before the Application Deadline. If the proposed site overlaps the boundary between multiple political jurisdictions, Virginia Housing will accept (1) a Certification form from each locality or (2) a letter from one locality specifying that the other locality has jurisdiction.

1. The Local Certification section must be completed by the appropriate local official or Civil Engineer.
2. The Engineer **must** be registered in the Commonwealth of Virginia.
3. Development Description' should be provided by the Owner.
4. Development Address should correspond to the Application.
5. Legal Description' should correspond to the site control document in the Application.
6. Proposed Improvements' should correspond with the Application.
7. Other Descriptive Information' should correspond with information in the Application.
8. Any change in this Certification may result in disqualification of the Application.

See [Website](#) for required form

### 6.6.14 Plans and Specifications

Following are the minimum requirements for all property types applying for **9% Credits** (new construction, rehab and adaptive reuse).

- A location map with the property clearly defined on the plans.
- A site plan showing locations of all building(s) and major site elements (e.g., parking lots and location of existing utilities and water, sewer, electric, gas in the streets adjacent to the site). Contour lines and elevations are not required. If this is a combination 9%/4% development, indicate on the site plan all buildings for both 9% and 4%. Include a building-by-building unit matrix reflecting distribution of 9% and 4% units.
- Sketch plans of main building(s) reflecting overall dimensions.

## 6. Housing Credit Application Information

- Typical floor plan(s) showing apartment types and placement.
- Ground floor plan(s) showing common areas.
- Sketch floor plan(s) of typical dwelling unit(s).
- Typical wall section(s) showing footing, foundation and wall and floor structure. Notes must indicate basic materials in structure, floor and exterior finish.
- All items reflected in Virginia Housing's Minimum Design & Construction Requirements.
- Rehab developments must include a 100% Unit Condition Survey and Scope of Work Narrative. This is in addition to a Capital Needs Assessment prepared by a third party.

Virginia Housing reserves the right to require a complete A&E review prior to awarding 9% Credits if it deems such review necessary to assess the creditworthiness of an Application.

In the event the plans and specifications do not include the MDCR, they still must be met if the Application is accepted. However, leaving out these requirements may cause the Application to be ineligible for Credits at project close out or have penalty points assessed for future submittals.

All 4% Applications are subject to an A&E review prior to award. Applicants must provide Plans and Specs at Application Submission that are complete at least through the Design Development phase and must include Architectural, Civil, Structural and MEP design disciplines. A 100% unit condition survey is also required for all rehab deals. For more information, see the submission section in the Virginia Housing MDCR, Section 6.14 of this Manual, and the A&E Review Process, A&E Review Workflow, and A&E Review Memo Template on the Website.

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6.6.15	Environmental Site Assessment (Phase I) – 4% only	Each 4% Credit Application must include an environmental site assessment (Phase I). Additional reports/ documentation may be requested, if applicable.
6.6.16	Relocation Assistance Plan (Rehab only)	<p>A Relocation Assistance Plan is required any time residents will be displaced and for all rehab deals.</p> <p>Owners are required to submit a Relocation Plan and include a Relocation Budget with the Reservation Application, if applicable. Please reference the separate Relocation Plan Guidelines available on the <a href="#">Website</a>.</p> <p><b>Relocation Plan Requirements</b></p> <p>The approved relocation plan must be kept in plain sight and available for tenants to review and should be property specific, including at a minimum:</p> <ol style="list-style-type: none"> <li>1. The name, address and contact person for the Owner and management company.</li> <li>2. Scope of the work to be completed, including estimated start and completion dates.</li> <li>3. Planned measures to minimize construction impact on occupied units.</li> <li>4. Projected rents and rental policies after rehab.</li> <li>5. Advisory services to be offered.</li> <li>6. Estimated determination as to Moving Cost Reimbursement.</li> <li>7. A unit delivery schedule.</li> <li>8. Relocation Budget.</li> </ol> <p>Owners must document compliance by including in each tenant’s file all documentation related to relocation, including all notices and agreements referenced herein, as well as bill receipts and canceled checks. Be prepared to present this information to Virginia Housing upon request.</p>
6.6.17	Capital Needs Assessment (4% Rehab only)	A Capital Needs Assessment must be submitted with the Application for all 4% rehab deals.
6.6.18	Existing Conditions Questionnaire (Rehab only)	A Virginia Housing Existing Conditions Questionnaire must be submitted with the Application for all 9% and 4% rehab deals. <b>This form is available on the Website.</b>

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6.6.19	Rental Education Disclosure	Each Applicant shall commit in the Application to provide a disclosure, to be acknowledged by tenant, of the availability of renter education from Virginia Housing. Applicant must submit a sample disclosure with the Application. At least one of the following links must be provided: <a href="http://VirginiaHousing.com/Education">VirginiaHousing.com/Education</a> , <a href="http://VirginiaHousing.com/Renters">VirginiaHousing.com/Renters</a> , and <a href="http://VirginiaHousingSearch.com/Resources">VirginiaHousingSearch.com/Resources</a> .
6.6.20	Investor/Syndicator Letter of Intent	A letter of intent signed by an Investor or Syndicator must be provided with the Application. Letters may be non-binding and should indicate prospective credit pricing and/or aggregate credit appetite for the individual development.

## 6. Housing Credit Application Information

### 6.7 Project Readiness — Point Items

The following is meant to provide a better understanding of the Project Readiness point items that may be selected in the Credit Application. Refer to the Submission Checklist for correct tab placement.

Project Readiness			
	Point Category	Points	Explanation
6.7.1	Locality CEO Letter	0 or -25	<p>Receiving a letter in support or a 'no comment' from the locality will qualify the Application for 0 points.</p> <p>Virginia Housing will consider an opposition letter if it is accompanied by a legal opinion from the locality's attorney, opining that the locality's opposition to the Development does not have a discriminatory intent or effect that is in violation of the Fair Housing Act and the HUD implementing regulations, as described in 24 CFR § 100.500(a) and 24 CFR § 100.500(b).</p>
6.7.2	Location in a Revitalization Area	0, 10, or 15	<p>To reduce administrative burden on Applicants, starting January 1, 2025, Applicants may receive 15 points for providing a Community Revitalization Plan Form Letter signed by the locality (see Tab K of the Credit Application materials on the Website).</p> <p>Developments may still instead qualify for revitalization area points by demonstrating that the Development is located within the following areas identified within the QAP (Applicants must provide documentation graphically evidencing that the Development lies within the boundaries of the established area and must include a copy of the resolution or ordinance passed by the locality to qualify for points, as applicable):</p> <ul style="list-style-type: none"> <li>• A Qualified Census Tract, as defined by HUD. (10 points)</li> <li>• A census tract wherein 70% or more of the families have incomes which are ≤ 80% statewide median income. <b>Note: These census tracts are included in the definition of target area for single-family purposes, but do not include ACEDS.</b> (10 points)</li> <li>• An established redevelopment area, conservation area or rehabilitation district created by a city or county, pursuant to VA Code § 36-1 et seq. (10 points)</li> </ul>

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			<ul style="list-style-type: none"> <li>• A Housing Rehabilitation Zone established pursuant to VA Code § 36-55.64(G). (15 points) A revitalization area designated by resolution adopted pursuant to VA Code § 36-55.30:2. Applicants planning to seek locality adoption of such a resolution should first contact Virginia Housing for the correct form resolution. (15 Points)</li> <li>• An opportunity zone designated by the Commonwealth pursuant to the Federal Tax Cuts and Jobs Act of 2017 (PL 115-97). The Applicant must also provide satisfactory evidence that it has received a binding commitment of funding as outlined within the QAP. (15 points)</li> <li>• On land owned by federally recognized or Virginia-recognized Tribal Nations located within the present-day external boundaries of the Commonwealth. (15 points)</li> </ul>
6.7.3	Plan of Development	0 or 10	Written evidence satisfactory to the authority of unconditional approval by local authorities of the plan of development or site plan for the proposed development or that such approval is not required.

## 6. Housing Credit Application Information

### 6.8 Housing Needs Characteristics — Point Items

The following is meant to provide a better understanding of the Housing Needs Characteristics point items that may be selected in the Credit Application. Refer to the Submission Checklist for correct tab placement.

Housing Needs Characteristics			
	Point Category	Points	Explanation
6.8.1	Section 8 or PHA Waiting List Preference	Up to 5	<p>Points will be awarded to developments without, or with less than 100% Section 8 project-based assistance where leasing preference is given to households on the local public housing or Section 8 waiting lists (maintained by the locality or the nearest Section 8 administrator for the locality in which the Development is to be located). Points are calculated based on units that do not have project-based assistance.</p> <p>Documentation must include a Section 8 or PHA Waiting List notification signed by the identified housing authority OR documentation that the notification was delivered to the housing authority prior to the Application deadline.</p> <p>See required form on the <a href="#">Website</a>.</p>
6.8.2	Existing RD, HUD Section 8 or 236 Program	0 or 20	<p>The Development must be subject to Rural Development or HUD Section 8 or 236 programs at the time of Application, including program participation. However, if the Applicant is the current owner or has any common interests with the current owner, either directly or indirectly, points will only be awarded if the Applicant waives all rights to any developer's fee associated with the acquisition of the Development. The preceding condition may be waived by Virginia Housing for good cause. Waiver must be granted between LNI and Application submission.</p> <p>These points may apply to new construction if an existing RD or HUD contract is being bifurcated.</p>

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6.8.3	New Project-Based Rental Subsidy (HUD or RD)	Up to 40	When competing in either the New Construction or Northern Virginia pool only: five points for each project-based voucher up to a maximum of 40 points; provided, however, any points awarded reduce in equal measure any awarded for Subsidized Funding.
6.8.4	Subsidized Funding Commitments	Up to 60	Any (i) funding source, as evidenced by a binding commitment or letter of intent, that is used to reduce the credit request; (ii) commitment to donate land or buildings or tap fee waivers from the local government; or (iii) commitment to donate land (including a below market-rate land lease) from an entity that is not a Principal in the Applicant (the donor being the grantee of a right of first refusal or purchase option with no ownership interest in the Applicant shall not make the donor a Principal in the Applicant). Loans must be below market-rate or cash-flow only to be eligible for points.

Financing from the authority and market rate permanent financing sources are not eligible.

The Applicant receives two points for each percentage point of the total development cost up to a maximum of 60 points. The authority will confirm receipt of such subsidized funding prior to the issuance of IRS Form 8609.

Firm commitment(s) for the following funding sources must include the following:

**1. Local government funding** – documentation must include a resolution passed by the locality in which the Development is to be located committing such financial support to the Development in a form approved by Virginia Housing.

**2. Local government donations** – a commitment to donate land, buildings or tap fee waivers.

**3. Donation of land, not from a local government** – a commitment to donate land (including a below market rate land

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			lease) from an entity (not a local government) that is not a Principal in the Applicant (the donor being the grantee of a right of first refusal or purchase option, with no ownership interest in the Applicant, shall not make the donor a Principal in the Applicant). The value of donated land (including a below market rate land lease) will be based on the most recent locality tax assessment.
6.8.5	Tax Abatement	0 or 5	The Development must qualify for a deferral on a portion of real estate tax increases (a real estate tax abatement or equivalent) as authorized by § 58.1-3219 of the Code of Virginia. Points will not be awarded for affordable housing tax assessment reductions described in § 58.1-3295 or for local or state subsidy.
6.8.6	High Opportunity Census Tract	0, 20, 25, or 30	<p>If the census tract where the Development is located has:</p> <ul style="list-style-type: none"> <li>• Less than 12% poverty - 20 points will be awarded;</li> <li>• Less than 10% poverty - 25 points will be awarded;</li> <li>• Less than 3% poverty - 30 points will be awarded.</li> </ul>
6.8.7	Rural Development – “High Priority”	0 or 15	The Application must include a support letter from USDA RD stating that the rehab development is a priority.
6.8.8	Areas with An Increasing Rent Burdened Population	Up to 20	<p>Any proposed new construction development (including adaptive re-use and rehabilitation that creates additional rental space) and that is located in an area identified by Virginia Housing as an area with an increasing rent burdened population will be eligible for these points.</p> <p>Applications receive 0 points for this point category in the At-Large Pool.</p>
6.8.9	Economic Development Areas	0 or 5	Any proposed development located within an area identified by the executive director as possessing either medium or high levels of economic development activity. In determining such areas, the executive director will evaluate economic data such as per capita job creation data from the Virginia Economic Development Partnership.

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6.8.10 Tribal Housing	0 or 15	Points for locating housing on federally or Virginia recognized Tribal Nation lands located within present-day boundaries of the Commonwealth.
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## 6. Housing Credit Application Information

### 6.9 Development Characteristics — Point Items

The following is meant to provide a better understanding of the Development Characteristics point items that may be selected in the Credit Application. Refer to the Submission Checklist for correct tab placement. Any selected enhancement points apply to all units.

Development Characteristics			
	Point Category	Points	Explanation
6.9.1	Amenities		
	6.9.1.a Community/ Meeting Room	0 or 5	<p>The Development has a community room with a minimum of 749 sq. ft., complies with use guidelines, and includes wireless internet access that is restricted to residents only.</p> <p>Points associated with this item are not allowed unless the community room is physically located within the boundaries of the Development currently being considered for Credits. The IRS has stated that common space (pool, meeting room, community building, laundry room, etc.) located in one phase may not be used by residents from another phase unless the area is treated as commercial space. Therefore, the cost of the common space must be subtracted from basis in order to be used by households living in another phase. Square footage requirement is calculated for all spaces not separated by doors or walls.</p> <p>Community rooms may be used for program and classes with the following stipulations. Provided that the cost of the community room is not included in eligible basis, the Owner may conduct (or contract with a nonprofit provider to conduct) programs or classes for tenants and members of the community in the community room, so long as:</p> <ul style="list-style-type: none"> <li>(i) tenants compose at least one-third of participants, with first preference given to tenants above the one-third minimum;</li> <li>(ii) no program or class may be offered more than five days per week,</li> <li>(iii) no individual program or class may last more than eight hours per day and all programs and class sessions may not last more than ten hours per day in the aggregate;</li> <li>(iv) cost of attendance of the</li> </ul>

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program or class must be below market rate with no profit from the operation of the class or program being generated for the Owner (Owner may also collect an amount for reimbursement of supplies and clean-up costs), (v) the community room must be available for use for tenants when programs and classes are not offered, subject to reasonable “quiet hours” established by Owner, and (vi) if the Owner offers programs or classes it must provide an annual certification to Virginia Housing certifying that it is in compliance with such requirements. Failure to comply with these requirements will result in a 10 point penalty for three years from the date of such noncompliance for Principals in the Owner.

### **Mandatory Community Room**

#### **Internet Service**

Free community room Wi-Fi restricted to development residents – Service is required to have a rotating password and only accessible to residents. Application must include resident internet education information, draft resident acknowledgment form and internet security plan at time of Application. Resident education information and draft resident acknowledgment form must be included in all resident files.

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6.9.1.b	Brick Walls or other similar low-maintenance material	Up to 20	Exterior walls are constructed using brick or other similar low-maintenance material approved by Virginia Housing covering up to and including 50% of the exterior walls of the Development.
			<p>For purposes of making such coverage calculation, the triangular gable end area, doors, windows, knee walls, columns, retaining walls and any features that are not a part of the façade are excluded from the denominator. Community buildings are included in the foregoing coverage calculation.</p> <p>Other Similar Low-Maintenance Material list. Alternate materials from the list below may be used as a substitute to anchored brick with an air gap. A vented drainage plane must be incorporated.</p> <ul style="list-style-type: none"> <li>• Anchored full natural stone with air gap;</li> <li>• Adhered natural or Cultured Stone Veneer, or other masonry product may be used for up to 35% of the total building.</li> </ul>
6.9.1.c	Fiber Cement Board Siding	Up to 20	Fiber cement board siding - Up to 20 points - Exterior walls are constructed using fiber cement board siding; up to and including 50% of the exterior walls of the Development.
			<p>For purposes of making such coverage calculation, the triangular gable end area, doors, windows, knee walls, columns, retaining walls and any features that are not a part of the façade are excluded from the denominator. Community buildings are included in the foregoing coverage calculation.</p>
6.9.1.d	WaterSense Toilets, Faucets & Showerheads	0 or 3	Every unit in the Development will have bathroom(s) containing only WaterSense labeled toilets, faucets and showerheads. <b>Points only apply if additional green certifications are not obtained.</b>
6.9.1.e	High Speed Internet/ Broadband Infrastructure	0 or 5	<b>REHAB ONLY:</b> Each unit will be provided with the necessary infrastructure for high-speed or broadband internet service if it does not already exist. Wiring and jacks should be installed in accordance with MDCRs and ready for provider activation. To the greatest extent feasible, it is recommended a centralized hub per building is provided.

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6.9.1.f	Bath Fans	0 or 3	<p>Each full bathroom will include:</p> <ul style="list-style-type: none"> <li>• A bath fan wired to primary light with delayed timer; <b>OR</b></li> <li>• A bath fan with humidistat; <b>OR</b></li> <li>• Continuous exhaust by an ERV or DOAS.</li> </ul> <p>Units may have combinations but each bathroom must have its own individual exhaust. User-controlled interfaces are not allowed.</p>
6.9.1.g	USB Ports	0 or 1	In all units, minimum one USB charging port, will be provided in Kitchen, Living room and all bedrooms.
6.9.1.h	LED Kitchen Lighting	0 or 2	All Kitchen light fixtures are LED and will meet the MDCR lighting guidelines: minimum of one 4-foot long light fixture or lighting fixture(s) that provide a minimum illumination of 30-foot candles distributed across leading edge of countertops.
6.9.1.i	Solid Core Doors	0 or 3	All interior doors within the unit will be solid core. Solid wood doors will meet this requirement.
6.9.1.j	Free Internet	0 or 15	Free high-speed internet service will be provided for all units by the Owner. Wiring and jacks should be installed in accordance with MDCRs and ready for provider activation. To the greatest extent feasible, it is recommended to provided a centralized hub per building. High-speed is considered 100mbps download/20 upload. <b>Must provide a resident internet education information, draft resident acknowledgment form, and internet security plan at time of Application.</b> Resident education and form must be included in all resident files.
6.9.1.k	Dehumidification	0, 2 or 5	<p>Rehab only - Provide dedicated space, drain and electrical hookups for possible future permanently installed dehumidification system. Primary apartment HVAC system does not qualify as a dehumidification system. Portable dehumidification models are not permitted. Equipment may not be set in a primary living space and must be concealed in a wall cavity (preferred) or a secondary space that easily communicates air with the rest of the unit.</p> <p><b>OR</b></p> <p>All Development Types - Each Unit is equipped with a permanent dehumidification system. Provide permanently installed dehumidification system that does not require manual disposal of condensation. System to include humidistat control. Primary apartment HVAC does not qualify</p>

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			as a dehumidification system. Portable dehumidification models are not permitted. Equipment may not be set in a primary living space. Independent dehumidification systems must be concealed in a wall cavity (preferred) or a secondary space that easily communicates air with the rest of the unit. A balanced, whole-building Dedicated Outdoor Air System (DOAS) with humidity control is acceptable.
6.9.1.l	Balconies - New Construction only	0 or 4	Each unit will have balcony or patio with a minimum depth 5' clear from the face of building. Minimum 30 square feet clear area. All balconies are to follow applicable accessibility standards.
6.9.1.m	Fire Suppression	2	All cooking surfaces will be equipped with fire suppression features for the duration of the Compliance Period that meet Virginia Housing's requirements below: <ul style="list-style-type: none"> <li>• All unit kitchens to include over the range fire suppression features such as canisters or similar features approved by Virginia Housing.</li> </ul>
6.9.1.n	Renewable Energy	0 or 10	The Development will incorporate a renewable energy electric system. System should be reflected in Plans & Specifications. Evidence of proper permitting, locality inspection, and confirmation of operational system must be provided for the Virginia Housing Final Inspection.
6.9.1.o	Green Certifications	0 or 10	Green Certification options: <ul style="list-style-type: none"> <li>• EarthCraft Gold;</li> <li>• LEED;</li> <li>• NGBS Silver or higher;</li> <li>• Enterprise Green Communities;</li> <li>• Zero Energy Ready Home (future points).</li> <li>• Passive House (future points).</li> </ul>
6.9.1.p	<b>ELDERLY ONLY:</b> Front-Control Ranges	0 or 1	Every unit in the Development will have a cooking range with front controls.
6.9.1.q	<b>ELDERLY ONLY:</b> Independent/ Supplemental Heat Source	0 or 1	All full bathrooms in the Development will have an independent or supplemental heat source, in addition to the unit's standard HVAC system.

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6.9.1.r	<b>ELDERLY ONLY:</b> Outside unit entry ledge	0 or 2	Shelf or ledge outside each unit entry door located in an interior hallway. Must have capacity to hold 50 pounds or more. Size and design must allow for temporary storage of items, must include hooks and do not obstruct accessible route. Unit entry ledges must be at 48" maximum above finished floor.
6.9.1.s	<b>ELDERLY ONLY:</b> Two Eye Viewers	0 or 1	Every unit in the Development will have an entrance door with two eye viewers, one at 44"- 48" and the other at standard height.
6.9.2	HUD 504 Accessibility – 10% of Units	0 or 20	Any development in which 10% of the units, including all common spaces serving those units and the routes connecting them, are (i) fully and <b>permanently</b> accessible according to the Uniform Federal Accessibility Standards "UFAS" (the primary standard for Section 504 of the Rehabilitation Act) and (ii) are actively marketed to persons with disabilities as defined in the Fair Housing Act in accordance with a plan submitted as part of the Application for Credits. Must include a Marketing Plan that meets Virginia Housing's marketing requirements. All accessible features, including but not limited to, grab bars and shower seats, must be permanently installed.
6.9.3	Proximity to Public Transportation	0, 10 or 20	The Development must be located within ½ mile of an existing or proffered commuter rail, light rail or subway station or ¼ mile of an existing or proffered public bus stop to be eligible for these points (10 points). New Construction, Northern Virginia/Planning District 8, or Tidewater MSA pools will receive 20 points. Deals in the LHA pool can receive a maximum of 10 points. <b>Note: On-call transportation for elderly developments will qualify for points.</b>  See Website for this form. Proffered stations/stops may provide alternative documentation.

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6.9.4	Units Constructed to Meet Virginia Housing's Universal Design Guidelines	Up to 15	Points will be awarded on a prorated % basis for the number of units meeting this criterion in a non-elderly development. Elderly Developments must have 100% of the units meet this criterion in order to qualify for the points. The Universal Design Checklist should be submitted with the Application, if applicable, along with Plans. It is mandatory that the Architect of Record attend Virginia Housing Universal Design training. Training must have occurred within the last 5 years or later. The Architect of Record must be listed on Virginia Housing's most current <a href="#">Universal Design Certificate Holders' listing</a> and <b>must provide the Universal Design Certificate with the Application</b> . The Architect of Record must sign the Virginia Housing Architect's Certification.
6.9.5	Historic Rehab	0 or 5	<p>The Structure must be listed individually in the National Register of Historic Places or be located in a registered historic district and certified by the Secretary of the Interior as being of historical significance to the district and the rehab must be completed in such a manner as to be eligible for historic rehab tax credits.</p> <p>Evidence that the Part I has been approved by the Department of Historic Resources must be submitted with the Application.</p>
6.9.6	Less than 100 units	Up to 20	Any development in which the Applicant proposes to produce less than 100 low-income housing units.

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### B. Marketing Plan Requirements

#### Marketing Plan Instructions for a Leasing Preference

Properties with a required leasing preference commitment must have a marketing plan and includes points awarded for Section 504 units with accessible features (“special needs units”). Properties must actively market units to individuals including at least one person with a disability in accordance with the marketing plan.

While there is no standard marketing plan language, every marketing plan must:

- a. Be customized for the property-specific leasing preference or special needs tenant population that the property is intending to serve;
- b. Include information on networking contacts with centers for independent living, disability services boards and address the efforts that will be necessary to fill a vacant unit;
- c. State that referred applicants will be given a leasing preference to fill the property’s required unit commitment;
- d. State that units will be held vacant and actively marketed to the networking contacts included in the written marketing plan;
- e. State that units may be held vacant for 60 days during which ongoing marketing must be documented;
- f. State that the property will be listed on [VirginiaHousingSearch.com](https://www.virginiahousingsearch.com).

#### Leasing Preference Required Property Marketing

On-going marketing to the network contacts in the marketing plan for referrals is required until the unit commitment is met and maintained until the close of the Extended Use Period.

##### 60 Day-Hold Unit

Units must be held vacant for 60 days during which active marketing efforts must be documented. However, if marketing to the 50-point special needs unit is deemed to be conducted satisfactorily on an ongoing basis throughout the year and management can provide sufficient documentation to Virginia Housing’s Compliance Officer, management may request the ability to lease 50-point units to a household not in the special needs population without the unit remaining vacant for the 60-day timeframe. “Ongoing basis” means contact to at least two (2) resources at least monthly in the manner noted below at any time the required number of units is not actually occupied by the special needs population.

Properties that fail to document ongoing active marketing to the marketing plan network contacts to lease vacant leasing preference units, may be cited with non-compliance, and may be required to hold unit(s) vacant for up to 60 days to actively market unfilled leasing preference units. Non-compliance with the marketing requirement is subject to a penalty point deduction in future funding requests with Virginia Housing.

**Note: The move of the temporary/non-disabled tenant will be paid for by the Owner.**

## 6. Housing Credit Application Information

### 6.10 Tenant Characteristics — Point Items

The following is meant to provide a better understanding of the Tenant Population Characteristics point items that may be selected in the Credit Application. Refer to the Submission Checklist for correct tab placement.

Tenant Population Characteristics			
	Point Category	Points	Explanation
6.10.1	No More Than 20% Of Units with One Bedroom or Less	0 or 15	The Development will have no more than 20% of its units with one bedroom or less. Deals that are 100% elderly do not qualify for these points.
6.10.2	% of Units with 3 or More Bedrooms	Up to 15	<p>These points only apply to developments eligible for the points associated with the point category 'No More Than 20% Of Units with One Bedroom or Less.'</p> <p>An additional 0.75 points will be awarded for each percent of the low-income units in the Development with three or more bedrooms.</p>
6.10.3	Housing Credit Units that are income and occupancy-restricted to at or below 30% of AMI	Up to 10	For each percentage point of units in the Development that are both rent-restricted to and occupied by households at or below 30% of AMGI that are not subsidized by project-based rental assistance, one point will be assessed.
6.10.4	Housing Credit Units that are rent and occupancy-restricted to at or below 40% of AMI	Up to 10	For each percentage point of units in the Development that are both rent-restricted to and occupied by households at or below 40% of AMGI, one point will be assessed.
6.10.5	Housing Credit Units that are income and occupancy-restricted to at or below 50% of AMI	Up to 50	<p>The Applicant must commit to impose income limits on the low-income housing units until the close of the Extended Use Period below those required by the IRC in order for Development to be a qualified low-income development.</p> <p>Points will be assessed based on the percentage of housing units in the Development both rent-restricted to and occupied by households at or below 50% AMGI.</p>

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6.10.6	Housing Credit Units that are rent-restricted	Up to 25	The Applicant must commit to impose rent limits on the low-income housing units until the close of the Extended Use Period below those required by the IRC in order for the Development to be a qualified low-income development.
6.10.7	Developments in “Low-Income Jurisdictions” - Units that are rent-restricted at or below 50% of the AMGI and income-restricted at or below 60% of the AMGI	Up to 50	<p>The Applicant must commit to impose rent limits on the low-income housing units until the close of the Extended Use Period below those required by the IRC in order for the Development to be a qualified low-income development.</p> <p>“Low-income jurisdiction” means any city and county in the Commonwealth with an area median income at or below the Virginia non-metro area median income established by the U.S. Department of Housing and Urban Development (“HUD”).</p>
6.10.8	Target Population Design Elements	10	The Applicant must commit to the following Department of Behavioral Health and Developmental Services (DBHDS) design guidelines: (1) non-elderly, (2) no more than 10% of the units have project-based rental assistance, and (3) 25% of the units are one-bedroom.

## 6. Housing Credit Application Information

### 6.11 Sponsor Characteristics — Point Items

The following is meant to provide a better understanding of the Sponsor Characteristics point items that may be selected in the Credit Application. Refer to the Submission Checklist for correct tab placement.

Sponsor Characteristics			
	Point Category	Points	Explanation
6.11.1.a	Veteran-Owner Contracts	0,5,7, or 10	<p>Points shall be awarded on a sliding scale to Applicants that enter into at least one contract for services provided by (i) a veteran-owned small business (VOSB) as certified by the U.S. Department of Veterans Affairs, Office of Small and Disadvantaged Business Utilization, or the U.S. Small Business Administration, or (ii) a business certified as service-disabled veteran-owned through the Commonwealth of Virginia's SWaM Certification Program; provided, however, that no points will be awarded for entering into contracts where a spousal relationship exists between any Principal of the Applicant and any Principal of the service provider.</p> <p>The following services and roles qualify for points under this subdivision 5 e: (a) consulting services to complete the Application, (b) ongoing development services through the placed-in-service date, (c) general contractor, (d) architect, (e) property manager, (f) accounting services, or (g) legal services.</p> <p>(5 points for entering into one such contract; 7 points for entering into two such contracts; 10 points for entering into three or more such contracts)</p>
6.11.1.b	Veteran Ownership	0 or 30	<p>Applicants with at least one Principal having an ownership interest of at least 25% in the controlling GP or MM for the Development that is an individual with a VOSB certification. No spousal relationship may exist between the Principal with a VOSB certification and any other Principal having an ownership interest in the Development who does not also possess a VOSB certification.</p>
6.11.2	Developer Experience – Uncorrected Life Threatening Hazard	0 or -50	<p>This penalty will apply to any applicant that includes a Principal that was a Principal in a development at the time Virginia Housing inspected such development and discovered a life threatening hazard under the required LIHTC program physical condition standards.</p>

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6.11.3	Developer Experience - Uncorrected Form 8823 to IRS (non-compliance)	0 or -15	This penalty will apply to any Applicant that includes a Principal who was a Principal in a development that either (i) at the time Virginia Housing reported such development to the IRS for non-compliance had not corrected it by the time a Form 8823 was filed by Virginia Housing or (ii) remained out-of-compliance with the terms of its extended use commitment after notice and expiration of any correction period set by Virginia Housing. Penalty points for Uncorrected (non-compliance) will apply.
6.11.4	Developer Experience - Principal Who Did Not Build As Represented	-2x	This penalty will apply if the Application includes a Principal who, in a previous Application, did not build a development as represented in the Application for credit. The penalty, -2x the number of points assigned to the item(s) not built (per occurrence) will apply for a period of three years after the last Form 8609 is issued for the development and is in addition to any other penalties Virginia Housing may seek under its agreements with the Applicant.
6.11.5	Developer Experience - Principal Who Failed to Provide a Minimum Building Requirement as Required in a Previous Application	0 or -50 per item	This penalty will apply if the Application includes a Principal who, in a previous application, did not provide either a minimum building requirement as defined in Minimum Design & Construction Requirements or required non-point item as referenced in the Tax Credit Application. A 50-point penalty per requirement will apply for three years after the issuance date of the last Form 8609 and is in addition to any other penalties Virginia Housing may seek under its agreements with the Applicant, including program suspension or disqualification.
6.11.6	Developer Experience – Principal Who Had Credits Terminated by Virginia Housing	0 or -10	This penalty will apply if the Application includes a Principal who, in a previous application, had a reservation of Credits involuntarily terminated by Virginia Housing. A 10-point penalty will apply for three years after the Credits are returned to Virginia Housing and is in addition to any other penalties Virginia Housing may seek with the Applicant.

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6.11.7	Developer Experience – Exceeding Cost Limits	0 or -50	This penalty will apply if the Application includes a Principal that was a Principal in a development for which the actual cost of construction exceeded the applicable cost limit by 5% or more (-50 points for a period of 3 calendar years beginning January 1 of the year following the completion of the cost certification). If the Board of Commissioners determines that exceeding the cost limit by more than 5% was outside the applicant’s control based upon documented extenuating circumstances, then no negative points.
6.11.8	Developer Experience – More than One Follow Up for Final Inspection	0 or -5	<p>This penalty will apply if the Application includes a Principal who, in a previous application required more than one follow up final inspection.</p> <p>Negative 5 points will apply beginning the year after the prior application incurred the penalty and continue for two years.</p>
6.11.9	Management Company Rated Unsatisfactory by Virginia Housing	0 or -25	If the ownership of any Applicant includes a Principal, who in a previous application hired a management company to manage a tax credit development, after such management company received an “unsatisfactory” rating from Virginia Housing prior to the close of the Extended Use Period of such development.
6.11.10	Developer Experience – Requesting a Qualified Contract	Disqualified	Beginning January 1, 2019, any Applicant that includes a Principal that has pursued a Qualified Contract in Virginia will be disqualified.

## 6. Housing Credit Application Information

### 6.12 Efficient Use of Resources

The following is meant to provide a better understanding of the Efficient Use of Resources point items that will be calculated in the Application.

Efficient Use of Resources			
	Point Category	Points	Explanation
6.12.1	Credit Per Unit	Up to 100	Up to 100 points will be awarded based on the percentage by which the total amount of Credits, per low-income housing unit type, for a given property, is less than the maximum allowable credit amount using a sliding scale, the credit points are calculated by the difference between your savings and the desired 60% savings, you get all points if you provide 60% of savings.  Overall Cost limits still apply.

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### 6.13 Bonus Point Items

The following is meant to provide a better understanding of the Bonus point items that may be selected in the Credit Application. Refer to the Submission Checklist for correct tab placement.

Bonus Points			
	Point Category	Points	Explanation
6.13.1	Extended Use Restriction	40 or 70	<p>Applications documenting that the Owner will maintain the low-income units in compliance for 10 years beyond the standard Extended Use Period (40 years of total compliance) - 40 points; <b>OR</b></p> <p>Applications documenting that the Owner will maintain the low-income units in compliance for 20 years beyond the standard Extended Use Period (50 years of total compliance) - 70 points.</p>
6.13.2	Nonprofit or Local Housing Authority (LHA) Purchase Option  <i>Note: If points are requested for extended compliance above, no points will be awarded for a purchase option or right of first refusal.</i>	0 or 60	<p>The Purchase Option or Right of First Refusal must be signed and notarized by both the Applicant and the participating nonprofit. If, during the document review and scoring process, Virginia Housing determines that the nonprofit or LHA is not qualified, the Applicant may submit a request to select one of the extended compliance options and Virginia Housing may award the appropriate points.</p> <p>The qualified nonprofit must maintain a minimum of 10% ownership in the throughout the entire Compliance Period to qualify for these points. LHAs are not subject to the 10% ownership requirement.</p>
6.13.3	Homeownership Option  <i>Note: If points are requested for extended compliance above, no points will be awarded for a purchase option or right of first refusal.</i>	0 or 5	<p>The Local Housing Authority (LHA) or qualified nonprofit commits to sell the units in the Development to tenants.</p> <ul style="list-style-type: none"> <li>Only developments consisting of freestanding single-family dwellings are eligible for conversion to homeownership. Apartments, townhomes and condo units are ineligible for conversion.</li> </ul>

## 6. Housing Credit Application Information

- No units within the Development may be sold prior to the close of the Compliance Period.
- Developments will not receive points for selecting extended compliance within the Application.
- Only developments selecting an income set-aside of 100% of units at 60% AMI will be allowed to transition to homeownership.
- As a condition of Allocation, Applicant must agree to accept the terms of Virginia Housing's form Homeownership Rider to the Extended Use Agreement, which imposes additional requirements related to operation of the Development, lease terms, terms of sale, and rights conferred to tenants. Virginia Housing will provide a copy of the current form to developers upon request.
- The Application must contain a homeownership plan that aligns with all Virginia Housing program requirements and is otherwise acceptable to Virginia Housing. The homeownership plan must demonstrate that the Development is expected to be capable of operating as a rental housing development throughout the Extended Compliance Period and in compliance with the requirements of § 42.
- Prior to the Application submission deadline, the Applicant must arrange a meeting with TCA Staff to review the proposed homeownership plan; failure to meet with TCA Staff prior to Application submission will result in rejection of the Application.

Applicants interested in seeking Credits for a development intended to transition to homeownership should request from

## 6. Housing Credit Application Information

TCA Staff, prior to beginning the development planning process, a copy of the form Homeownership Rider to the Extended Use Agreement. **Before moving to advanced stages of the development process, applicants are highly encouraged to contact TCA Staff to ensure that their proposed homeownership plan aligns with program requirements.**

6.13.4 9% Developments with  
4% Bond Funding

10 or 15 10 points if the combined total of units within the developments is greater than 100 units but less than 150 units and 30% of the aggregate units will be funded by tax-exempt bonds; 15 points if the total combined unit count is greater than or equal to 150 units and 30% of the aggregate units will be funded by tax-exempt bonds.

Both developments must be closed by September of the year following the allocation year. A one-time six-month closing extension for the 4% bond development will be allowed with a \$10,000 extension fee.

Decoupling is not permitted. Failure to close by the applicable deadlines not otherwise approved will result in the loss of the 9% Credits and the Did Not Build As Represented penalty points (Manual Section 6.11.5) will apply for three years for both developments, that is -40 or -60 points.

Combination developments seeking both 9% and 4% Credits must adhere to the following:

- All units utilizing both 9% and 4% Credits must clearly be presented as two separately financed deals including separate equity pricing that would support each respective deal in the event the other were no longer present.
- While deals are required to be on the same or a contiguous site they must be clearly identifiable as separate. This should include signage and marketing materials for both.

## 6. Housing Credit Application Information

- While Virginia Housing prefers separate buildings, if co-located within the same building footprint the property must identify separate entrances, stairwells and elevators. Further, the ability to create a separate leasing space must exist.
- The units financed by tax-exempt bonds may not be interspersed throughout the combined development (no unit checkerboarding).
- The ability to generate an independent appraisal for each the 9% and 4% development must exist.
- The stated mix of units cannot be changed or the deal risks losing it's allocated Credits.
- Both developments must submit complete Credit Applications within 12 months of each other.

All applicants seeking points in this category (that have not previously competed with a 9/4 hybrid) must arrange a meeting with TCA Staff at Virginia Housing's offices prior to the Application submission deadline in order to review both the 9% and the tax-exempt bond financed portion of the project. **Any new applicant failing to meet with TCA Staff in advance of applying will not be allowed to compete in the current competitive round as a combination development.**

6.13.5	Rental Assistance Demonstration (RAD) program, or other PHA conversion to project-based rental assistance, and competing in the LHA Pool	0 or 10	Any development participating in the Rental Assistance Demonstration (RAD) program, or other PHA conversion to project-based rental assistance, competing in the LHA pool. Applicants must show proof of a CHAP or HUD commitment.
6.13.6	Electronic Payment	0 or 5	For committing in the Application to submit any payments due to Virginia Housing, including reservation fees and monitoring fees, by electronic payment.

## 6. Housing Credit Application Information

### 6.14 How to Submit Reservation Applications (9% and 4%)

Applicants must submit all application materials through Procorem only. Submit Application material following the protocol below. If application fee is paid via Virginia Housing's invoice portal, it's considered received at the date and time of payment. If application fee is paid by check, submit no less than 3 business days prior to the Application deadline. Checks are considered received at the time they are delivered to the Allocation Department.

When LNI submissions are made, TCA Staff will create the Procorem workcenters (a separate Plan Review workcenter will be created for all 4% applications) and send email invitations to the contact persons indicated.

Owners must notify [TaxCreditApps@VirginiaHousing.com](mailto:TaxCreditApps@VirginiaHousing.com) directly once all Application materials have been uploaded. Any submissions past stated deadlines will be considered late and may be disqualified. Please see instructions for using Procorem at [VirginiaHousing.com](http://VirginiaHousing.com) for more information.

Naming Protocol	Description
[Dev Name] – Reservation App	Active Microsoft Excel workbook
[Dev Name] – Reservation App  <b>Note: If all attachments are not in one PDF, Virginia Housing has the right to deny the application.</b>	PDF file which includes the following: PDF copy of the signed Application, including self-score sheet and all Application attachments (i.e. tab documents, excluding the market study, plans, specs and/or work write-up)
[Dev Name] – Market Study	PDF or other readable electronic format
[Dev Name] – Appraisal (if applicable)	PDF or other readable electronic format
[Dev Name] – Capital Needs Assessment (if applicable)	PDF or other readable electronic format
[Dev Name] – Phase I Environmental Assessment (4% only)	PDF or other readable electronic format
[Dev Name] – Plans [Dev Name] – Specs [Dev Name] – Unit Survey (if applicable) [Dev Name] – Report Type (if applicable)	PDF Plans (specify if Architectural, Structural, MEP, etc as needed) PDF Specifications
<b>4% Deals may upload once to Plan Review Workcenter</b>	PDF 100% Unit Condition Survey (rehab only) PDF Reports (as needed per MDCR)

\*[Dev Name] = type in the name of the Development

**Application fees must be paid prior to the deadline.**

## 6. Housing Credit Application Information

### 6.15 Cure Period Information

The executive director may choose to allow for the immediate correction of minor and immaterial defects affecting mandatory items (but not points items) in an Application. Should the executive director choose to allow correction, applicants will be given 48 hours from the time of notification to cure defects with their Application. If the executive director allows an applicant to cure minor defects, that does not constitute approval or acceptance of the Application and is not an assurance that the Application, upon further review, will be deemed acceptable. The cure period information in this section applies to the 9% and 4% programs.

#### **Examples of items that may be considered as “curable” include:**

- a. If the Applicant has failed to include a required document, the Applicant may supply the document, provided, however, that the document existed on the Application deadline date and, if the document is a legal agreement or instrument, the document was legally effective on the Application deadline date;
- b. If statements or items in the Application are contradictory or mutually inconsistent, the Applicant may present information resolving the contradiction or inconsistency, provided, however, that the information accurately reflects the state of affairs on the Application deadline date;
- c. The Applicant may provide any required signature that has been omitted, unless the executive director deems the Application to be substantially incomplete; and
- d. The Applicant may cure any scrivener’s error, missing or defective notarization, defective signature block, or defective legal name of an individual or entity.

The Applicant will be notified of any curable defects it discovers by telephone, and, simultaneously, in writing electronically (email). The Applicant’s corrective submission shall not be considered unless it is received by the executive director no later than 48 hours (excluding weekends and legal holidays) from the written notification. If the Applicant fails to respond to the notification of curable defects within the 48-hour cure period, or if the Applicant’s response is nonresponsive to the question asked, a negative conclusion shall be drawn. Failure to respond to an item in a cure notification will result in the denial of points in that category or the Application may be deemed to not meet threshold. After the Application deadline, telephone calls or other oral or written communications made on behalf of the Applicant (for example, from the Project’s development team, elected representatives, etc.) pertaining to anything other than information submitted pursuant to this subdivision shall not be accepted or considered before preliminary Reservation awards have been announced.

## 7. Allocation Information

### 7.1 Review Process

In addition to scoring applications, Virginia Housing must also determine the amount of Credits to award the Development. In no case can Virginia Housing provide more Credits than necessary to make the Development financially feasible. This is a two-step analysis, with the Development qualifying for the lesser of: (1) the maximum amount of Credits allowed on the Development given the amount of eligible basis and the percentage of qualified low-income units (i.e. the applicable fraction) and (2) the amount of Credits necessary to generate enough equity to fill the gap between the Development's total sources and uses.

Virginia Housing reserves the right to reject the Application (requiring resubmission in a subsequent application round) if it determines either that the Application contains a substantial volume of errors or issues unlikely to be resolved within the allotted 48-hour cure period or that the Application lacks sufficient information to allow for such a determination. The Application must remain competitive through Allocation and 8609; failure to meet commitments within the Application may result in a reduction or complete loss of Credits and may result in the Applicant incurring penalty points toward future Credit Application submissions.

A Reservation of Credits is made after an initial feasibility analysis by Virginia Housing and is conditioned on the Development's sponsor meeting certain requirements. Applicants who satisfy the requirements are given an Allocation of Credits. 9% developments receive a second feasibility analysis to confirm Allocation. If a development is Placed in Service in the year of Allocation, it qualifies for a regular Allocation and Forms 8609 must be issued on or before December 31.

After a building has been Placed in Service (i.e., the rehab is substantially complete as evidenced by AIA Substantial Completion form or for new construction, Certificates of Occupancy are issued), the Owner will submit the Application for IRS Form(s) 8609 to Virginia Housing. A third feasibility analysis is performed at that time (second for 4% developments). The final credit amount is the lesser of the amount necessary to make the Development feasible and the amount of the earlier Carryforward Allocation.

### 7.2 Allocation Applications

Virginia Housing sends out customized Carryforward Allocation Applications to developers that have accepted a Reservation of 9% Credits. If the Development is not Placed in Service in the year of Allocation, the developer will receive a Carryforward Allocation for 9% projects. A second feasibility analysis is completed by Virginia Housing to reflect any changes in the Development's cost and/or financial structure shown in the Allocation app application, granting a Carryforward Allocation. Carryforward Allocation Applications are due back to Virginia Housing no later than the established deadline posted in the schedule or noted in the Reservation Agreements. A late charge of \$500 per day will be assessed for each calendar day past the due date that the Allocation Application is not returned to Virginia Housing.

At the issuance of the allocation, a TCA Staff member will be assigned to each development. Please contact your assigned TCA Staff member if you have any questions during the allocation process.

## 7. Allocation Information

### 7.3 How to Submit Allocation Applications

Complete the Allocation Application by verifying and/or updating answers to all questions. Submit all Application materials in electronic format only to the Virginia Housing Procorem site by the deadline. The following protocol must be used to name files.

<b>Naming Protocol</b>	<b>Description</b>
Allocation – [Dev Name] – Application	Active Microsoft Excel workbook
Allocation – [Dev Name] – Application	PDF copy of the signed Application
Allocation – [Dev Name] – Attorney’s Opinion	Attorney’s Opinion, if applicable
Allocation – [Dev Name] – IRS EIN #	IRS EIN #
Allocation – [Dev Name] – Owner’s Cert	Owner’s Certification / 10% Test
Allocation – [Dev Name] – Investor LOI	Investor LOI
Allocation – [Dev Name] – [Document Name]	Other document(s) revised since the Reservation Application
Allocation – [Dev Name] – Capital Needs Assessment	Capital Needs Assessment, only applicable for 9% rehab
Allocation – [Dev Name] – Phase I Environmental Site Assessment	Phase I Environmental Site Assessment, only applicable for 9% deals

\*[Dev Name] = type in the name of the Development

## 7. Allocation Information

### 7.4 Allocation Application Mandatory Items

The following items must be submitted with the Allocation application.

Mandatory Item	
7.4.1	Excel copy of the Allocation Application
7.4.2	Electronic/PDF copy (via Procorem site) of signed Allocation Application and attachments
7.4.3	Attorney's Opinion
7.4.4	IRS Letter Confirming the Assignment of the EIN Number (Form SS-4) to the Owner (i.e. LP, LLC, etc.)
7.4.5	Site Control Documentation in the form of (1) a copy of the recorded deed or land lease (or memorandum of land lease) or (2) a copy of the document and recording receipt. It is expected these costs align with the representation made in the Reservation Application. Recording Taxes and Fees should be allocated to the appropriate cost line. If not available at Allocation, this must be submitted by the deadline established in the Reservation documents.
7.4.6	Owner's Certification – must include an itemized list of expenditures. This does not have to be certified by a CPA, unless required by the attorney for the Attorney's Opinion letter. For purposes of calculating the 10% test, the reasonably expected basis in the Development consists of land and depreciable property, regardless of whether those items are included in eligible basis.
7.4.7	Commitment or Letter of Interest from Syndicator or Investor
7.4.8	Other documents revised since the Reservation Application
7.4.9	Capital Needs Assessment, if rehab
7.4.10	Phase I Environmental Site Assessment

### 7.5 Meeting the 10% Test

If the Owner has not incurred more than 10% of the reasonably expected basis by the Allocation Application due date, then it must submit documentation to Virginia Housing that more than 10% of the reasonably expected basis has been incurred within 12 months of the Carryforward Allocation Agreement date. This is required to be in the form of an independent auditor's report and a certification of eligible costs. This deadline is not extendable; a credit refresh may be requested instead.

**Note: 10% tests are due 30 days prior to the 12-month deadline for meeting the expenditure test.**

## 8. Application for 8609 Information

### 8.1 Application for 8609

Following submission of the Certificate of Occupancy or Notice of Substantial Completion to Virginia Housing's Tax Credit Allocation Department, the Owner will receive a customized 8609 application for their development.

Virginia Housing prefers that loan closings for permanent financing occur before requesting Form(s) 8609. However, if closing has not occurred, you may still submit an 8609 Application. Submit a copy of the permanent funding commitment(s), along with other supporting documentation requested on the 8609 Submission Checklist.

### 8.2 Deadline for 8609 Applications

The following deadlines must be met for the submission of 8609 application.

Deadline	Description
Within 30 days of construction completion of the units in the last building	Submit notification to Virginia Housing's Tax Credit Allocation Department no later than 30 days after the units in the last building are ready for occupancy, as evidenced by a Certificate of Occupancy or Architect's Certificate of Substantial Completion (if rehab).
No more than 180 days after construction completion of the units in the last building	Submit the 8609 Application, including supporting documentation (see list above and 8609 checklist).
No later than April 30th (of the second year following the year of Allocation)	8609 Applications for developments financed with 9% Credits are due. Extensions may be granted for up to 12 months beyond April 30th with prior approval by Virginia Housing.

For both 9% and 4% deals, a completed 8609 Application must be submitted to Virginia Housing within 180 days of the date on which a development's last building becomes ready for occupancy, as evidenced by the Certificate of Occupancy (for new construction) or Architect's Certificate of Substantial Completion (for rehabs).

**Special Rule for 9% Credit Developments:** According to Virginia Housing's Contract to Enforce Representations, 8609 Applications for 9% credit developments are due no later than April 30th of the second year following the year of Allocation. Extensions may be granted for up to 12 months beyond April 30th with prior approval by Virginia Housing.

If the 8609 Application, including requested supporting documentation, is submitted to Virginia Housing late, the Owner will be subject to a fine of \$100 per calendar day, up to \$7,500. Form(s) 8609 will not be issued until the fee is paid.

## 8. Application for 8609 Information

### 8.3 Occupancy Notice and Final Inspection

The LIHTC Allocation department requires available for occupancy **notifications within 30 days of the last building being Placed in Service for the following:**

**New Construction** - A copy of the certificate of occupancy for each building is required.

**Rehabilitation** - A certificate from the Architect that construction is substantially complete is required.

Section 42 does allow a per unit expenditure test be met for this purpose if substantial completion has not been achieved. The required expenditure amount is \$6,000 plus an inflationary figure that puts the total at approximately \$6,700 per unit. A cost certified per unit expenditure in lieu of substantial completion is required to support the expenditure amount.

### 8.4 Final Inspection

Developments are subject to a final inspection once all work is complete. Phased final inspections may be allowed for an additional fee.

- The developer must email [TaxCreditApps@VirginiaHousing.com](mailto:TaxCreditApps@VirginiaHousing.com) to request a final inspection. Attach to the email all Certificates of Occupancy from the authority having jurisdiction and the Architect's Certificates of Substantial Completion.
  - If phased final inspections are requested, a certificate of occupancy and an Architect's Certificate of Substantial Completion must be submitted for each phase.
- Documentation for items that cannot be visually verified may be requested during the final inspection, e.g., receipts, delivery tickets, warranties, etc.
- The final inspection will include verification of amenity items selected by the developer and MDCR.
- An initial final inspection and a follow-up final inspection will be provided by Virginia Housing. If previously identified deficiencies have not been adequately corrected by the follow-up final inspection, the tax credit penalty for a failed final inspection will be levied.

Additional details regarding the phased final inspection process:

1. At the pre-construction meeting, developers interested in phased final inspections must submit to Virginia Housing a schedule of phases including which buildings/floors will be included in each final inspection phase, along with tentative substantial completion dates for each phase.
2. Developer must pay an upfront fee to administer the phased final inspection process. Full fee is due prior to scheduling the first final inspection. See section 11.1 Summary of Program fees for more details.
3. Multiple buildings may be grouped into one phase, but the inspections for those buildings must occur on the same day.
4. Each phase will receive two inspections: an initial final inspection and a follow-up final inspection. If previously identified deficiencies have not been adequately corrected by the follow-up inspection for any phase, the tax credit penalty for a failed final inspection will be levied.

## 8. Application for 8609 Information

5. Schedule initial final inspections for the same day as the Virginia Housing Construction Control Officer's (CCO) recurring monthly meeting. Follow-up inspection may occur off-schedule.

6. Virginia Housing will track 'passed' phases on the CCO field report in an open item labeled 'Final TC inspections.' The item will be updated each time a final inspection walkthrough occurs. A phase that passes a final inspection will be labeled as 'passed' in the field report.

7. Once construction is complete, the developer must notify the tax credit department that all phases have passed their final inspection, provide the full development certificate of occupancy and Architect's Certificate of Substantial Completion, and request a full development final inspection. The CCO will then fill out the Tax Credit Final Inspection form to establish one development wide Placed in Service date. CCO will not reenter previously 'passed' buildings for final inspection purposes, but may need access to the site and common areas to complete the full development final inspection form.

## 8. Application for 8609 Information

### 8.5 How to Submit the 8609 Application

An Excel copy of the Application, as well as an electronic/PDF copy of the signed Application and all attachments must be submitted to the Development's Procorem site. **Do not email or submit hard copies. The Owner MUST notify [TaxCreditApps@VirginiaHousing.com](mailto:TaxCreditApps@VirginiaHousing.com) when the application is complete and submitted.**

### 8.6 Application for 8609 Mandatory Documents

The following items must be submitted with the application for 8609. Submit the following using the Virginia Housing Procorem site:

Mandatory Item	
8.6.1	Completed 8609 Application (active Excel workbook)
8.6.2	Electronic/PDF copy of the signed Application
8.6.3	Recorded Extended Use Agreement (4%), Right of First Refusal (if applicable) and other Virginia Housing-requested supporting documents (see Excel Application Submission Checklist)
8.6.4	Permanent financing documentation (or other docs, if Closing has not occurred). If any developer fee is being deferred, documentation must be provided clearly showing the deferred developer fee is bona fide debt; this may include a Note or other documentation as approved by Virginia Housing.
8.6.5	Construction Contract and GC Cost Certification
8.6.6	Grant Agreement(s), if applicable
8.6.7	Final Partnership Agreement and Development Agreement (if applicable)
8.6.8	Independent Auditor's Report
8.6.9	Final Cost Certification (include 50% Test if a 4%/TEB development)
8.6.10	Certification of Sources and Uses Form
8.6.11	EIN verification for 4%
8.6.12	Energy Star or other Green certification (as applicable)
8.6.13	Final RESNET Form & HERS Reports
8.6.14	Final Universal Design Certification (if applicable)
	Final HAP Contract (if applicable)

## 8. Application for 8609 Information

### 8.7 Corrections to 8609(s)

Virginia Housing often receives requests to amend previously issued 8609s (e.g. building addresses or placed-in-service dates that are listed incorrectly on the Application by the Owner).

Errors may cause the Allocation of Credits to be invalid and subsequently, cause recapture of the tax credits by the IRS. Due to the administrative burden placed on everyone involved, Virginia Housing will charge \$1,000 for each Form 8609 to be corrected and reissued.

## 9. Recapitalization

No Application for new Credits will be accepted for any building or development that is still subject to the Compliance Period for previously allocated Credits.

Any development having completed the initial Compliance Period and receiving additional Credits must continue to comply with the existing Extended Use Agreement as well as any new Extended Use Agreement restrictions. Beginning in 2025, the Preservation Pool for 9% Credits is available for tax credit projects that are in Year 20 or beyond where the Investor has exited. See Section 5.3 for additional information.

The Applicant may submit an Application for Credits for a development for which the Extended Use Period was terminated as a result of foreclosure, provided the Applicant has no relationship with the owner or owners of such development during its initial Compliance Period.

Including in the case of foreclosure, acquisition Credits are not available until the close of the Compliance Period.

## 10. Qualified Contract Information

All Applicants that receive an Allocation of either 9% or 4% Credits waive the right to pursue a Qualified Contract. Also, any Principal in a development that pursues a Qualified Contract after January 1, 2019 will not be eligible to apply for an Allocation of Credits in any subsequent rounds.

Section 42(h)(6)(E)(i)(II) of the IRC created a provision that housing credit agencies respond to requests for presentation of a Qualified Contract (“Request for Qualified Contract”) for tax credit developments with expiring Compliance Periods. The Request for Qualified Contract is a request that the housing credit agency find a buyer (who will continue to operate the property as a qualified low-income property) to purchase the property for a qualified contract price, calculated pursuant to IRS Section 42(h)(6)(F). If the housing credit agency is unable to present a qualified contract within one year, the Extended Use Period is terminated. However, the Development will remain subject to the requirements set forth in Section 42(h)(6)(E)(ii); that is, for a three-year period commencing on the termination of the Compliance Period, the owner of the Project may not (i) evict or terminate a tenancy (other than for good cause) of an existing tenant of any low-income unit, or (ii) increase the gross rent with respect to any low-income unit except as permitted under Section 42 of the IRC, as well as the requirements of the Extended Use Agreement. A qualified purchaser can be a nonprofit or a for-profit entity that agrees to maintain the affordable housing units and fulfill all requirements of the Extended Use Agreement.

Many owners have chosen to waive the right to request a Qualified Contract and have committed to thirty years or more of operation as low-income rental housing. Owners should review the QAP, Tax Credit Application, Carryforward Agreement and Extended Use Agreement to determine whether a waiver is in place for the Development.

# 11. Program Administration

Please refer to this section for questions related to the administration of the federal Housing Credit program.

## 11.1 Summary of Program Fees – The following fees will be assessed:

Amount	Description	Program
\$1,000 or \$2,000	<b>Application Fee</b> – Applications will not be processed until the application fee is paid. An additional application fee of \$2,000 will be required for any 4% applications that require resubmission and review in the same application round.	9%, 4%
TBD	<b>Appraisal Fee</b> – The appraisal fee (if ordered by Virginia Housing) based on the complexity of the assignment. Virginia Housing will not order the appraisal until the fee is received.	9%, 4%
7% of annual credit amount	<b>Reservation Fee</b> – Assessed only to those applicants accepting a 9% credit Reservation; the amount is communicated in a letter sent with the Reservation Agreement; due as instructed in Reservation correspondence from Virginia Housing. If the reservation fee is not paid in the same calendar year as the Application, the Application will be terminated and the deal must re-apply.	9%
7% of annual credit amount	<b>Reservation Fee</b> – Assessed only to tax-exempt bond applicants who qualify for an Allocation of 4% Credits; due after the submission of the Application, upon written request by Virginia Housing. This fee will be calculated based on the lesser of the credit amount from Virginia Housing’s feasibility review or the credit amount requested by the Applicant. If at 8609 Application the review causes a reduction in the feasible credit amount, there will be no refund of the original fee, as it is considered a minimum application fee; the Section 42(m) letter will not be issued until the fee is paid.	4%
\$500 per calendar day	<b>Late Submission of Reservation Agreement</b> – Fee is assessed when any of the Reservation documents, including Reservation Agreement, are not submitted to Virginia Housing by the stated deadlines; communicated to Applicants via Reservation Agreement cover letter; significant delay may result in loss of the Reservation. After 5 p.m. on any date is considered the following calendar day.	9%
\$500 per calendar day	<b>Late submission of Allocation Application</b> – Fee is assessed per calendar day for each day after the deadline. After 5 p.m. on any date is considered the following calendar day; applications will not be processed until the fee is paid.	9%
\$100 per calendar day	<b>Late submission of Placed in Service documentation</b> – Fee is assessed per calendar day for each day after the deadline, up to \$7,500. Placed in Service documentation must be submitted within 30 days of being issued.	9%, 4%

## 11. Program Administration

Amount	Description	Program
\$1,500 per phase	<b>Phased Final Inspection</b> – For developments requiring a phased occupancy, the Owner may elect a phased final inspection process to better facilitate tenant lease up and project close out needs. Provide a phase schedule at time of Application to include buildings, or floors in each phase along with tentative dates of substantial completion for each phase. The fee is \$1,500/phase and will provide up to two inspections per phase, an initial final inspection, and a follow-up final inspection. Fee will be collected at time first inspection is scheduled.	9%, 4%
\$100 per calendar day	<b>Late Submission of 8609 Application</b> – It is Virginia Housing’s policy completed 8609 Applications be submitted within 6 months of the Development’s Construction Completion Date, as evidenced by a Certificate of Occupancy or Architect’s Certificate of Substantial Completion (if rehab). The fee is \$100 per calendar day, up to \$7,500.	9%, 4%
\$1,000 per form	<b>Correction of Form(s) 8609</b> – The fee is assessed when the Owner requests Virginia Housing to issue an amended 8609 due to the original being issued with incorrect data supplied by the Owner. The amended 8609 will not be issued until the fee is paid.	9%, 4%
\$5,000 per form	<b>Replacement of Documentation Previously Provided</b> , e.g. original Extended Use Regulatory Agreement.	9%, 4%
\$45 per unit per year	<b>Compliance Monitoring Fee</b> – After all buildings are Placed in Service. The fee is reduced to \$30 per unit during the Extended Use Period (years 16+). Submit to Virginia Housing’s Compliance & Asset Management department.	9%, 4%
\$35 per unit per year	<b>Compliance Monitoring Fee – RD Developments</b> – After all buildings are Placed in Service. The fee is reduced to \$20 per unit during the Extended Use Period (years 16+). Submit to Virginia Housing’s Compliance & Asset Management department.	9%, 4%
\$20,000	<b>Qualified Contract Preliminary Application Fee</b>	9%, 4%
\$20,000	<b>Qualified Contract Application Fee</b>	9%, 4%
\$2,000	<b>Extension Fee – per request</b> – Each approved request will extend the deadline by 6 months unless otherwise approved. 8609 application submissions may only be extended for a total of 12 months.	9%, 4%
\$10,000	<b>Hybrid Extension Fee</b> One-time extension for the 4% development financed with Tax-Exempt Bonds to close six months after September of the year after the 9% Allocation is made.	4%
\$15,000	<b>Subsidy Layering Review</b>	9%, 4%
\$15,000	<b>Credit Refresh Fee</b>	9% only

## 11. Program Administration

For-profit sponsors pay reservation fees at the time signed Reservation agreements are due at Virginia Housing. Nonprofit sponsors competing or eligible to compete in the Nonprofit Pool and developments competing or eligible to compete in the Local Housing Authority Pool pay reservation fees at the time of the first syndication payment, but no later than the Allocation Application Deadline.

Waiver of application fees and reservation fees are not granted under any circumstances.

# 11. Program Administration

## 11.2 How to Submit Payments

Virginia Housing implemented a new [invoice portal to collect fees](#) in 2024. This portal provides options to set up a free one-time direct draft from a banking account or charge to a credit card (for an additional 3% transaction fee). Virginia Housing is using a banking provider and no account information will be stored after the transaction is complete.

An invoice will be provided with information on how to access the [Rental Housing Invoice Portal](#); the application fee invoice will be uploaded when a Procorem work center is requested and the reservation fee invoice will be sent with Reservation documents. As soon as an invoice is paid within the portal it is considered received.

You may still submit payments by check if you did not elect the points for electronic payments. Checks are considered received at the time they are delivered to the Allocation Department.

### Mail checks to:

Virginia Housing  
Attn: Tax Credit Allocation  
601 S. Belvidere Street  
Richmond, VA 23220

## 11.3 Updating Program Information

Periodically, it is necessary to update information relating to the tax credit program due to the availability of new information or to clarify program requirements in response to new questions. Updates will be sent via email and will be posted on the Website. Applicants are responsible for making sure they receive all necessary information for submitting applications. Sign up for important updates [via the Website](#).

## 11.4 Change of General Partner or Managing Member

Change of General Partner or Managing Member (direct or indirect) is prohibited prior to the Development being placed-in-service (PIS) and is subject to approval by Virginia Housing. Per the Extended Use Agreement, the Owner shall notify Virginia Housing and Virginia Housing must approve, in advance, of any sale, assignment, transfer or exchange of all or any part of the Development or of any ownership interest in the Owner (other than Investor member interests).

In addition, the Extended Use Agreement requires that applicants receiving Credits from the Nonprofit Pool must remain a Qualified Nonprofit Organization (as defined in subsection (h)(5)(C) of § 42) and both materially participate in the development and operation of the Development and own 100% of the managing member interests in the Owner throughout the Compliance Period. If you are contemplating a change in ownership, structure or management agent, please email [Owner-MgmtChange@VirginiaHousing.com](mailto:Owner-MgmtChange@VirginiaHousing.com).

## 11.5 Related Entities Limit

The QAP limits the amount of 9% Credits reserved to any party or related parties (either directly or indirectly) in any credit year to no more than 15% of the per capita credit amount applicable to the Credit Allocation year. This limitation does not apply to Credits awarded to developments funded with tax-exempt bonds; however, all acquisition Credits awarded in the 9% round count toward the limit.

# 11. Program Administration

## 11.6 Credit Refresh Process

Requests must be made using the Virginia Housing Change Request form.

Requests will be processed September 1 through September 30. The Consent to Cancel must be formalized by November 1.

Credits that are refreshed will be issued for current year Credits.

More than one refresh request for the same project is not guaranteed.

Beginning with deals that were awarded Credits in 2025, those that place in service without a refresh will qualify the Owner for a 10% developer fee boost on one subsequent application within 3 years of original Application.

## 11.7 Applications are Open to the Public

Applications are subject to review under the Virginia Freedom of Information Act. As such, interested individuals may request the opportunity to inspect and copy them.

Applications for 9% and 4% Credits are available for viewing on the Website. Virginia Housing will post Applications and all attachments (excluding plans, specifications, and appraisals). Scanned files are listed by year and then alphabetically by development name.

## 11.8 Authorization of the Executive Director

The Executive Director is authorized to waive or modify any provision herein, where deemed appropriate, for good cause to promote the goals and interests of the Commonwealth in the federal Low-Income Housing Tax Credit program, to the extent not inconsistent with the IRC.

## 11.9 Extended Use Agreement

If, for any reason, an applicant awarded Credits requests that Virginia Housing amend or replace a previously issued Extended Use Agreement (“EUA”) prior to the close of the Extended Use Period, Virginia Housing may use its discretion to include within such amendment or replacement EUA certain new or updated provisions contained within the form EUA in effect at the time Virginia Housing issues the amendment or replacement EUA to the applicant.

All Virginia Housing forms and additional information can be found on its [Website](#).

# 11. Program Administration

## 11.10 Glossary

### Core Terms:

- “**Allocation**” means the formal award of Credits to an Applicant.
- “**Application**” means the Credit Application submitted by the Applicant.
- “**Credit Application**” refers to the Virginia Housing form application for a Reservation of 9% Credits or an Allocation of 4% Credits.
- “**Credits**” refers to either federal Low-Income Housing Tax Credits issued pursuant to Section 42 or Virginia housing opportunity tax credits issued pursuant to the Virginia Housing Opportunity Tax Credit Act (VA Code § 58.1-439.29 et seq.).
- “**Compliance Period**” has the same meaning as defined within Section 42.
- “**Development**” and “**Project**” refer to the entirety of the proposed affordable housing development described within the Application, including all buildings issued a unique IRS Building Identification Number.
- “**Extended Use Period**” means the period following the initial 15-year Compliance Period during which the development must continue to operate in accordance with affordability and occupancy restrictions set forth in the Extended Use Agreement.
- “**HERS Index**” means Home Energy Rating System Index used to measure the energy efficiency of a residential building, as verified by a RESNET-certified rater approved by Virginia Housing.
- “**Manual**” refers to this 2026 Housing Tax Credit Manual.
- “**MDCR**” means the most recent edition of the Virginia Housing Minimum Design and Construction Requirements published on the Website.
- “**QAP**” means the Qualified Allocation Plan for the Commonwealth of Virginia accessible via Virginia Housing’s Website and within Virginia Housing’s Rules and Regulations found within the Virginia Administrative Code (13VAC10-180).
- “**Placed in Service**” refers to a building in the development being made ready for occupancy, as evidenced by a Certificate of Occupancy or Certificate of Substantial Completion.
- “**Reservation**” refers to Virginia Housing’s formal commitment of Credits to a project.
- “**Section 42**” and “**§ 42**” refer to Section 42 of the Internal Revenue Code of 1986, as amended.
- “**Website**” means [VirginiaHousing.com/Partners/Rental-Housing/Rental-Housing-Tax-Credits](https://www.virginiahousing.com/Partners/Rental-Housing/Rental-Housing-Tax-Credits).

### Entities and Roles:

- “**Applicant**” and “**Owner**” each mean the legal entity applying for or awarded Credits, as context requires.
- “**General Partner**,” “**GP**,” “**Managing Member**,” and “**MM**” may be used interchangeably to refer to the legal entity responsible for managing and controlling the Applicant, whether the Applicant is a limited liability company or limited partnership.
- “**Investor**” and “**Syndicator**” may be used interchangeably to refer to the entity providing equity to an applicant in exchange for Credits.
- “**Limited Partner**” and “**LP**” may be used interchangeably to describe the non-managing legal entity with the greatest ownership interest in the Applicant.
- “**Principal**” has the same meaning outlined within the QAP.
- “**TCA Staff**” refers to staff within the tax credit allocation department within Virginia Housing.
- “**Virginia Housing**” means Virginia Housing Development Authority, a political subdivision of the Commonwealth of Virginia responsible for administering the federal Credit program.